

The NATIONAL UNDERWRITER

Life Insurance Edition

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FRIDAY, NOVEMBER 13, 1936

“Some Achieve...”

*“Some are Born Great, Some Achieve Greatness,
and Some Have Greatness Thrust Upon Them”*

... Shakespeare

SHAKESPEARE failed to state which of these descriptions fits most human beings who reach success. In insurance selling some agents seem to have had a “head start” in life. A few, starting with a “lucky break,” seize opportunity with sure hands and make it permanent. But the majority of agents who succeed are in neither of these classes. Their success has been slowly, perhaps painfully, achieved by hard work.

These are the agents who most inspire the recruits in the business. In the first months, which sometimes seem discouraging, it is the *known* fact that others have met such discouragements, persevered and conquered through to success that makes hundreds of new agents grit their teeth a little harder, set their jaws a little firmer and carry on toward the *success that shall be theirs!*

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

Life Agency Men Confer in Chicago

Fact Finding Now Valuable Function

Sales Research Bureau Has Be-
come More Practical in Its
Activities

SEEKING NO CURE - ALLS

Ever Changing Conditions Bring Em-
phasis on Successful Methods
Being Used in Field

NEW OFFICERS ELECTED SALES RESEARCH BUREAU

Chairman—O. J. Arnold, president
Northwestern National Life (re-
elected).

Vice-chairman—Frank P. Samford,
president Liberty National Life, Bir-
mingham, Ala.

Executive Committee—Grant L. Hill,
director of agencies Northwestern Mu-
tual Life, chairman; H. H. Armstrong,
vice-president Travelers; J. G. Ste-
phenson, superintendent of ordinary
agencies London Life; W. W. Kling-
man, agency vice-president Equitable
of New York; O. J. Arnold (re-
elected).

Thoroughly practical methods of re-
search factfinding, rather than efforts to
develop cure-alls and a universal specific
for ailments in the life insurance selling
process characterize work of the Sales
Research Bureau today, it was made evi-
dent at the annual joint meeting with
the Association of Life Agency Officers
in Chicago this week.

Originally the staff under Manager
J. M. Holcombe attacked the problems,
perhaps, from too much of the test tube
attitude. They were imbued with the
zeal of scientists and were too far re-
moved from practical field considera-
tions, the speakers emphasized. Even-
tually it became clear that no product
of a laboratory could suffice for long, for
the business was anything but static.
While the studies were being digested,
assembled and conclusions drafted, the
life insurance business was moving on;
new problems were arising.

Great Future in Work

This year the bureau has been concen-
trating all its facilities on fact-finding.
The effort has been to discover just why
certain agencies are successful in the
various branches of the work, and to
relay this current information to com-
pany officials as rapidly as compatible
with accuracy of observation and con-
clusion. A great future lies ahead in

(CONTINUED ON PAGE 12)

Wastage in Life Insurance Selling Is Greatest Problem

Wastage of time, money and effort
in life insurance selling still is a wide-
spread condition in spite of the close
attention to the problem paid by many
companies in recent years. This was
the substance of the message of Sales
Research Bureau staff members deliv-
ered at the joint gathering in Chicago
this week with the Life Agency Officers.

The American and Canadian agency
system still is on trial, J. M. Holcombe,
Jr., manager of the bureau, stated in his
report on "The Agency Year." The
institution, he said, is not distributing
life insurance as effectively as it should;
there is waste in operation. The acute
problem now, he said, is two-fold; First,
to do everything possible to be certain
that the house is in order, and second,
to use all reasonable means to reach the
public with an honest, effective story.
Agency officers know today many agents
are quite inadequate to handle questions
being asked with increasing frequency,
a fact which hammers home the need
for a trained sales organization.

Continuous Study Needed

Not only the attitude of the buyer,
but also the whole plan of the selling
process, he said, should be studied con-
tinuously. The typical selling argument
in life insurance has undergone little
change, price being stressed by many
agents instead of value.

While there have been no startling
changes in the methods of training and
supervising agents during the year, he
said, momentum has been gained. Hav-
ing generally accepted the idea of sell-
ing for needs, there has been wide dif-
ference of opinion regarding the best
means of reaching that objective, and
now many practical experiments in every
conceivable phase of the process are
being conducted. Some companies have
adopted program selling as a company
policy; some managers think the two-
interview plan is essential; others say
they can train their agents to diagnose
a man's needs promptly and secure de-
cisions on a sound basis without need
for a later call.

Conservation Important

An important trend in the program-
ming field is conservation of estate as
well as creation of it. Improved effi-
ciency in use of settlement options and
trust agreements unquestionably will in-
fluence favorably the persistency of busi-
ness, Mr. Holcombe said.

In the field of training there has been
increasing recognition of the fact that
training courses will not necessarily
train agents despite all wishful think-
ing to the contrary. It is difficult for
managers to make sure that each indi-
vidual agent does his part correctly in
the training process. This is a trend
to acknowledgment that agent training
is more of an individual affair than it
was thought to be a few years ago.

The year has seen further progress in

changing objectives for agents and man-
agers, he said. There is discussion more
frequently of the manager's need to have
under contract only agents earning a de-
cent living. The fact remains that earn-
ings of life agents in this country and
Canada this year show a pitiful record
for a very large percentage of them, Mr.
Holcombe said. There is a strong ten-
dency toward realism, recognition of low
incomes and study of apparent causes
and possible remedies, in place of the
glib talk of million dollar cases that one
heard a few years ago.

An interesting and worth while study
of the bureau deals with significance of
early production as a guide to later suc-
cess. Mr. Holcombe feels the younger
life insurance agents of today are being
trained far better than their predecess-
ors.

Hiring Younger Agents

In the field of recruiting, success seems
to hinge on an agency reputation that
attracts rather than repels prospective
agents, a much more definite plan for
giving time to recruiting by the manager
and his assistants than exists in other
agencies, and a selling method success-
fully practiced by agents under contract
which appeals to the man considering
the business. The trend is almost uni-
versal this year, he said, in the direc-
tion of hiring younger agents. He asked
if the principal reason why able men
are less willing to become life agents
may not be the most noticeable adver-
tisement of the business, agents now
and in the past under contract who did
not succeed. He touched on compen-
sation, asking whether the method in
life insurance may not be out of step.
"First and primarily," he said, "are we
not all agreed that it stresses new busi-
ness? And can agree furthermore that
it stresses it to the practical detriment
of the function of keeping business on
the books? And lastly, can we agree
that we are actually not compensating
for what we wish our field force to ac-

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Look for Rate Increase by "Non-Par" Companies

NEW YORK, Nov. 12.—With
a number of participating compa-
nies announcing lower dividends,
it is rumored that the non-partici-
pating companies will increase
their rates. None of the Hartford
"non-par" companies will an-
nounce an increase in rates in the
near future, although there is a
possibility of changes in 1937. A
prospect of low interest yields on
all investments in the next few
years indicates that an increase
will be imperative.

Agency Men Hold Chicago Meeting

Three Days Are Given to Busi-
ness Sessions and Group
Musters

FEATURES OF PROGRAM

Life Insurance Sales Research Bureau
and Agency Officers Association
in Annual Convention

The Edgewater Beach Hotel in Chi-
cago this week is in a lively insurance
mood. The annual meeting of the Asso-
ciation of Life Agency Officers and the
Life Insurance Sales Research Bureau
took place Tuesday, Wednesday and
Thursday. The Life Advertisers As-
sociation started its meeting Thurs-
day and goes through Friday. The
executive committees of the agency
officers and bureau met Monday and
there were informal meetings that day.

Leaders at Gathering

H. M. Holderness, vice-president of
the Connecticut Mutual in charge of
agencies, was chairman of the life offi-
cers executive committee and J. C.
Behan, vice-president Massachusetts
Mutual, vice-chairman. Other mem-
bers on the committee were T. O. Cox,
superintendent of agencies Excelsior
Life of Toronto; J. A. Hawkins, man-
ager of agencies Midland Mutual
Life; W. Carlisle, agency superintendent
Mutual Life of Waterloo, Can.; John J.
Moriarty, vice-president General Ameri-
can Life; E. A. Olson, president Mutual
Trust Life; H. B. Sutphen, vice-presi-
dent Prudential, and J. M. Waddell,
vice-president Pilot Life.

Research Bureau Officials

O. J. Arnold, president Northwestern
National Life, is chairman of the re-
search bureau and George H. Hunt,
superintendent of agencies Imperial Life
of Toronto, was vice-chairman; the other
members of the board are A. L. Dern,
vice-president Lincoln National; W. W.
Jaeger, vice-president Bankers Life of
Iowa; J. W. Simpson, superintendent
Sun Life of Montreal; F. B. Wilde,
president Connecticut General; G. H.
Chace, vice-president Prudential; D. C.
MacEwen, vice-president Pacific Mu-
tual; F. P. Samford, president Liberty
National Life; J. G. Stephenson, su-
perintendent of ordinary agencies London
Life of London, Can.; H. K. Lindsley,
president Farmers & Bankers Life of
Wichita; H. E. North, vice-president
Metropolitan Life; R. B. Richardson,
(CONTINUED ON PAGE 13)

Agency Management of a Company from the Chief Executive's Standpoint

President M. J. Cleary of the Northwestern Mutual Life closed the meeting of the Life Insurance Sales Research Bureau and the Association of Life Agency Officers meeting in Chicago this week on Thursday afternoon, speaking on "Agency Management from the Viewpoint of a President." The custom has prevailed to have an outstanding executive give the final talk.

President Cleary declared that life insurance in this country is a monument to the agency system and the American agents. Although legal reserve life insurance in this country is less than 100 years old more than 70 percent of the life insurance in force on the lives of people in the world covers American citizens.

The great growth in life insurance in this country, President Cleary said, is due to the development of an efficient agency system and an effective selling plan. Companies set up agency departments and manned them with those who had industry, initiative and vision. Until the agency unit functions successfully there is no company intact. When it ceases to function the company becomes a liquidating institution. The responsibility for continued growth and sustained life in a life company, he said, rests upon the agency unit.

President Cleary said it is highly important that every unit including the president be conscious of the fact that the company is not a confederation of departments but an integrated and independent whole.

Agency and Company Interests Conflict

Regardless of the logic of the situation, Mr. Cleary said, the agent is going to regard his interests and the company interests as in conflict. The agency head is the natural person to whom the agent will appeal. Very often a service or privilege requested by a policyholder is denied and a competing company grants the request. Therefore it is necessary to appease the agent and convince him that the action taken was entirely right. It is the job of the agency executive, President Cleary said, to bring the field, the agent and his problems to the home office and to

interpret them there with fairness and intelligence. Yet he is a company officer with the duty of bringing the company and its established policies to the field.

Mr. Cleary said there is no other position in a company that demands so much versatility, courage, judgment and diplomacy as the head of the agency department. In speaking further, President Cleary said:

More Important Obligations of the Agency Head

"What are some of the more important, specific obligations of the head of the agency unit? He must give the agency force leadership of a type that commands respect, that generates and maintains confidence in the field and in the home office. He must establish and maintain standards for his staff, his general agents and managers and his agency personnel. He must lead in the development of agency plans and methods. It is his job to see that these plans and methods are understood and used by the agency force.

"The effectiveness of any agency program will be determined by the character and the ability of the men who are to apply it. It means that the personnel of the department must have the knowledge and the capacity for leadership and inspiration to the field force. It means that general agents or managers must be found who have capacity to organize, to instruct, to inspire and to lead.

Needs Real Leaders as General Agents

"In my opinion that brings us to the crux point in agency work and to the most important task of the agency head. If he does not have at the head of his agencies real leaders he is blocked. I am not optimistic enough to think I can give you the answer to this all-important item. I have said to the head of our own department for a number of years that I know of no matter in his charge that should outrank in importance the matter of finding a real leader for each agency. When you find such a person you solve a vast variety of problems, each of which is important. We can't enumerate them all. Largely the question of an effective and intelli-

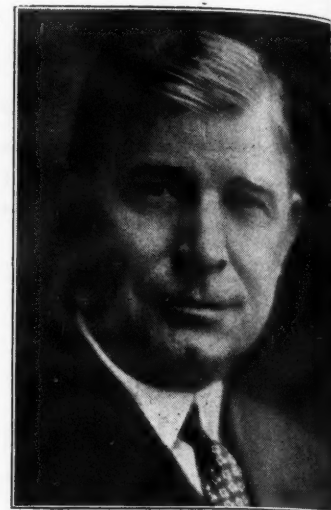
gent application of the home office program is solved. The question of a reasonable number of successful, quality agents in that territory is solved. The question of a reasonable volume of quality business is also solved. The worry of the home office about the finances of the agency and the agents is at least reduced. A vast variety of ungratable requests and irritating complaints never reach the home office.

"Surely, when we consider the prestige and the profit that goes with the position of general agent in a good agency, we ought to be able to find the leadership we need. We solve a large percentage of our agency problems when we do. Should it not be our first and major concern in considering agency matters? I wonder if we should not, individually and collectively, concentrate upon this phase of our effort in a greater degree than we have in the past. We have a place for thousands of men of capacity and ambition that offers opportunity for prestige, profit and permanence equalled in few, if any, other fields. Can't we devise a plan of bringing the job and the right man together more generally than we have succeeded in doing up to now?

"We put a lot of money into the development of agency organizations. We are prone to look upon that disbursement as an expense. In too many cases it is expense rather than an investment. It ought not to be and it would not be if we accomplished the purpose that prompted the effort and the expenditure.

"The question of whether it is expense or investment was never more important than it is today. We are all confronted by the problem of increasing cost and reduced earnings. Some of these factors are beyond our control. We can't control the earning value of money. We can't control the price level that determines our cost of operating in a large degree. The one is down, we hope, as far as it is going. The other is up and still climbing. What are we going to do about it? We can at least direct our effort at those things over which we have some control. Quality agents reduce expense and produce quality business.

"Quality business is a non-ledger asset of major proportions. It produces a



M. J. CLEARY

mortality salvage, assures financial soundness, and reduces the cost of insurance in the participating company.

"Quality business stays on the books. It returns the company's investment in it and goes on to produce a profit. It pays the agent full first year and renewal commissions and keeps him solvent. And solvent, successful agents go on producing quality business. The persistent policyholder is an asset to the company, the agent and the agency. The lapsing policyholder is a disappointment and a loss to everyone.

"The business in force is more important than the business in prospect. It's our job to help the agent to take the long-term view. What is not good for the company will not be good for the agent who plans to stay in the business.

"The agency officer must be a planner, a salesman and in some degree at least a promoter. He must realize that any business without a credit department is not likely to last long. In our business the medical and underwriting departments are credit departments and the activity of the selling end must be correlated with them.

"The agency department, the agent, the policyholder and even the prospect are interested in what the other departments are doing, how they are doing it, and

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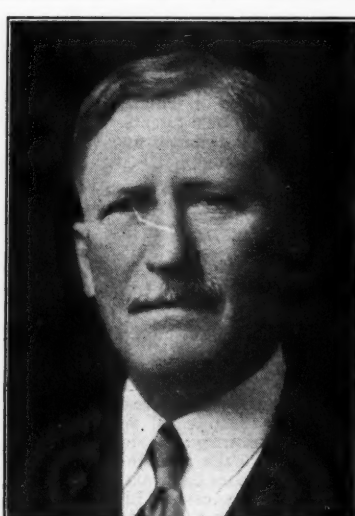
AGENCY OFFICIALS IN CONVENTION IN CHICAGO



H. M. HOLDERNESSE, Hartford
Chairman Agency Officers



JOSEPH C. BEHAN, Springfield, Mass.
Vice Chairman Agency Officers



O. J. ARNOLD, Minneapolis
Chairman Research Bureau



GEO. H. HUNT, Toronto
Vice Chairman Research Bureau

Still Hearing Case of Pacific Mutual

Actuary Breiby Continues His Testimony Favoring the Carpenter Plan

GIVES ITS GOOD POINTS

Commissioner Williams of Mississippi Sends Letter Commending the Proposal of California Department

LOS ANGELES, Nov. 12.—Judge Willis in hearing the Pacific Mutual Life case and the Commissioner Carpenter rehabilitation plan filed a letter from Commissioner Williams of Mississippi favoring a mutualization plan for rehabilitation of the company. Mutualization is provided for in the Carpenter proposal if voted for by a majority of the policyholders after a lapse of 10 years. Commissioner Williams declared that he believed the mutualization procedure was preferable to the offer of the Occidental Life.

Actuary William Breiby of New York, under cross examination said that the Pacific Mutual could successfully be kept going by the company reorganized under Commissioner Carpenter's direction as conservator. The life business, he said, showed profits last year, although the non-cancellable accident and health showed a deficit.

Amount for Reserve

Based on conditions as of July 22, he said it would be necessary to build up a reserve of \$25,717,440 to protect the non-cancellable risks. He reached this conclusion on the present value of claim payments for the 1918, 1921, 1926, 1929 and 1931 groups, totaling \$39,174,212, plus \$2,700,275 for the present value of claim expenses and \$120,168 for reserves for the 1932 and subsequent groups, subtracting \$16,277,215, the estimated present value of future premiums less collection and other charges.

Judge Willis' Position

Judge Willis finds himself confronted with a number of petitions, protests, etc. His attitude in taking into consideration his rulings and statements from the bench is summarized as follows:

He is interested only in having to pass judgment on the best plan obtainable; this plan must protect first, the policyholders, then the agency force, the creditors and the stockholders, each to the extent of his or their interests.

He is not concerned about the past management or transactions of the company.

He refuses to permit putting into the record any extraneous issues not concerned with the plan of rehabilitation or reinsurance.

He is not committed to any of the three plans offered, but will consider each on its merits.

He declines to permit any outside suggestions, as to the action he should take, to have any weight whatsoever in consideration of the case. He has read and placed into the record the hundreds of letters and telegrams received and has issued warning against certain types of these communications.

Above all, he insists he is sitting in this case as a judge of the superior court, but under the code, without the usual equity powers of judicature.

Actuary Breiby said there were 1,700 non-cancellable policies on the claim list as of July 22. The average monthly in-

(CONTINUED ON LAST PAGE)

Low Yield, U.S. Financing Point to Dividend Shifts

NEW YORK, Nov. 12.—Quite a few new dividend scales are expected by the end of the year, mainly because of the continuation of extremely low interest rates on high grade securities. The reelection of President Roosevelt by an overwhelming majority gives little hope that the federal government will radically alter its present fiscal policy, which has been largely responsible for cheap money.

Current dividend scales represent considerable differences in methods of calculation. Although basically the same, in that they represent savings on mortality and expenses and excess interest earnings, many of them are scales formerly in use and adapted to current conditions by means of flat percentage cuts applying to all dividends.

Counter to Contribution Principle

Adjusting dividend scales by flat percentage cuts is not a process which can be equitably continued indefinitely, since it is to a greater or less extent counter to the principle that dividends shall be paid on the basis of each class' contribution to surplus.

Dividend cuts in the recent depression and the present low interest rate period are due mainly to failure to earn the higher interest rates that formerly prevailed. Obviously, it is not consistent to cut the dividend of a younger policyholder whose contract has been only a few years in force by the same percentage as the older policyholder whose contract has been in force a number of years.

If a 15 percent over all cut is indicated, the former type of policyholder is not getting so good a break as the

latter, since only a small part of his dividend is contributed by excess interest, whereas a very large part of the latter's comes from this source.

Some companies have already made deep cuts in their dividend schedules, and although their interest earnings may not be quite high enough to allow for the exceptionally low rates prevailing today, it is probable that they can leave their scales where they are in the expectation that interest rates have reached their bottom point and will soon be tending upward. Others, which may have been more confident that the interest upturn would be here by this time will probably make adjustments to take account of the failure of the upturn to materialize.

Adjustment of Factors

It appears likely that companies using an interest factor of 4 percent or more will reduce this factor to a point more in line with current interest earnings.

The mortality element dividend is not much of a factor in the expected changes. Mortality is generally not so favorable as last year and the year before, both of which were exceptionally good. Neither has life insurance mortality been the same for all companies. Experience has varied considerably.

Mortality figures from gain and loss exhibits might give the impression that there is a trend toward work mortality but this is mainly due to the smaller amount of new business in relation to business already on the books. The gain and loss exhibit mortality figure has no close relation to dividends. Mor-

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Not Many Changes Are Anticipated

Most Insurance Commissioners, Being Democratic, Will Likely Continue in Office

KETCHAM TO BE REPLACED

Situation as to Present Incumbents Where There Is a Change in Governor

With the sweeping Democratic election including governors of almost all the states, there will probably not be very many changes in the personnel of the insurance commissioners. However, in Michigan a Democrat, Frank Murphy, was elected which will doubtless result in a new commissioner there to succeed J. C. Ketcham. Rumor has it that Governor-elect Murphy may appoint Charles E. Gauss to the post. He served as commissioner from the resignation of the late C. D. Livingston early in 1933 until the appointment of Mr. Ketcham the following year. Representatives of Mr. Murphy are reported to have been sounding out the sentiment in insurance circles toward Mr. Gauss' appointment, which is likely to meet with the approval of the business.

Mr. Gauss would be unlikely to take the office were it tendered, as he has been named postmaster at Marshall. This is also true of Stanley J. Risk, prominent Muskegon agent, who was prominently mentioned for the commissionership four years ago but was recently made postmaster of his home city. Among the prominent agents particularly friendly with the new deal leaders, both state and national, is John O'Meara of Hillsdale. It is considered possible he might have a voice in selection of the new commissioner, although it is believed doubtful if he would accept the office himself as he has a large agency representing some 15 companies.

May Be Change in Personnel

Mr. Ketcham, who is a former Republican congressman from Hastings, has no expectation of remaining with the department and is expected to turn over the reins promptly on Jan. 1. He has indicated willingness to cooperate with Mr. Murphy's selection for the job in familiarizing him with the department's functions. Just how extensive the changes will be in the department cannot be ascertained at this time. There has been much agitation in behalf of a civil service system of state employment and a study commission has framed a merit system proposal for presentation to the incoming legislature. Its adoption by a law-making body which will be wholly controlled by the Democrats for the first time in modern history is considered rather unlikely unless sufficient personnel changes have already been made to keep a vast majority of Democrats in state jobs.

Tobin Is Probably Safe

In Tennessee it is hoped that Commissioner Tobin will be reappointed, although a new governor was elected, he, however, being a Democrat. Governor-elect Browning was chosen by a large majority and E. H. Crump, well known Democratic leader at Memphis, is responsible for a good part of the campaign. Mr. Crump was instrumental in having Mr. Tobin appointed commissioner by Governor McAllister. If Mr. Crump gets behind Mr. Tobin again there is no doubt about the latter's being reappointed.

(CONTINUED ON PAGE 25)

A Brilliant Conference

By far the best program the Life Advertisers Association has yet had is that of the fourth annual meeting, held this week in Chicago. The entire ensemble of life insurance advertising has a place. The speakers are executives of many of the companies, a faculty member of Yale and a faculty member of Vanderbilt, the ablest advertising men of the companies, representatives of the Life Insurance Sales Research Bureau and I. R. & R., and the art director of a prominent advertising agency. Greetings were brought by President W. J. Cowles of the Life Advertisers Association of Canada, and by Alexander E. Patterson, President of the National Association of Life Underwriters. There is a splendid exhibit of the various forms of advertising material including house organs and bulletins.

The Association was founded in 1933, and now, vigorous with steady growth, has 98 company members, represented by 131 individual members. Membership is limited to life insurance representatives.

This organization has already become one of major usefulness among inter-company Associations.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. H. KINGSLEY, President

Independence Square

PHILADELPHIA

Insurance Women's Group Achieves Cherished Goal

NEW YORK, Nov. 12.—An insurance program put on by the League of Insurance Women, conducted by Mrs. Kathryn Ford of the Mutual Life of New York, was one of the main features of the annual meeting of the State Federation of Women's Clubs held here this week. This is the first time that the New York Federation has had an insurance program on its agenda in its 42 years of existence.

Citing the tremendous wealth of the United States and the high percentage of it which is controlled by women, Mrs. Ford said that it is not enough to have wealth but also every effort must be made to see that wealth is secure. While life insurance is probably the most popular avenue to security, she said, if it is to fulfill its purpose, it must be properly written, kept up to date and free from loans.

Leaving Proceeds With Companies

Women's clubs can do more than any other agency in the vital educational work of protecting against the danger of losing money through unwise expenditures, unfortunate investments, the blandishments of swindlers or the impositions of relatives and friends, Mrs. Ford declared. In this connection she stressed the value of leaving proceeds with the company, since large sums left in cash to beneficiaries usually disappear very quickly.

Miss Mildred F. Stone, agency field secretary, Mutual Benefit Life, answered questions on the different kinds of insurance which may be purchased. What kind of insurance is the best for any individual to buy, she said, is the policy which will give the desired proportion of protection and savings. She warned that it is very dangerous to make comparisons of life insurance plans unless one is absolutely sure that one knows what is being compared. A safe comparison must bring out not only the price of the different policies, but every single benefit and provision, she emphasized.

Explains Technical Terms

Miss Stone also explained the various designations, such as income insurance, educational insurance, mortgage insurance, and the like.

Mrs. Marguerita Lozano, Equitable Life of New York, told why women, whether wealthy or not, need life insurance. Records show, she said, that

40 percent of the working women support from one to three dependents. The business or professional woman needs life insurance to start a fund for her middle age or old age, or to provide for dependents. Mothers need insurance for last illness and death expenses, for edu-



MRS. KATHRYN FORD

cation of children or for protection of children who are physically or mentally unfit. Then, too, insurance can provide a dowry or a gift to a grandchild. Other uses listed by Mrs. Lozano were an old age income and protection in case the husband is an invalid.

Insurance for Wealthy Woman

The wealthy woman, she continued, needs life insurance for much the same uses that the wealthy man does, such as estate expenses, taxes, philanthropies, rewarding faithful servants or gifts and of course an unflinching income for her own old age.

Mrs. Charlotte L. King, Equitable Life of New York, emphasized the importance of the beneficiary clause, pointing out that it is always necessary to remember to have some person named as beneficiary, since this makes the insurance free from probate rules, regulations and costs and gives the \$40,000 exemption from taxes. Insurance pro-

Observe Hoodoo Day in Special Accident Drive

FRIDAY, Nov. 13th, is National Hoodoo Day and thousands of accident and health men will be using the superstitious approach in a special sales drive sponsored by the National Accident & Health Association and the Accident & Health Review. The object is for the contestants to sell 13 disability policies so as to qualify for membership in the exclusive Black Cat Club.

ceeds should never be left to the estate and it would be wise for every woman to familiarize herself with the beneficiary clause in her husband's policies, Mrs. King declared.

She also called attention to the special status of life insurance and annuities under the laws of New York State and a number of other States as regards freedom from claims of creditors, either of the insured or the beneficiary.

Miss Anna Gwathney of the Penn Mutual discussed annuities, pointing out the advantages of the different types.

Mrs. Emily P. Auerbach, Equitable Life of New York, talked on the value of accident and health insurance to women, and outlined the various forms of contracts.

Miss Florence Steeler spoke on the value of trust funds, individual or corporate, where the amount of proceeds is large enough to justify the use of this form of distribution.

Mrs. Robert Wallace, New York Life, gave the various reasons for making a will, and pointed out what happens when a person dies without leaving a will.

Life Company Buyers' Meetings

The Association of Insurance Company Buyers met at the home office of the Massachusetts Mutual Life at Springfield, Mass. Papers were given on filing by O. E. Hovis and on mail room equipment by Edwin Johnson, both of that company. The members inspected both departments. Several practical space and labor saving devices were exhibited. A meeting was held this week at the head office of the State Mutual Life of Worcester, Mass. A. W. Johnson of that company led the discussion on "Fundamentals of Purchasing Department Procedure."

H. T. Cook, Providence, R. I., co-manager Union Mutual of Maine, has been named vice-president and a director of the Culver Military Academy Alumni Association.

Quality Factors Rated on Chart

Home Life of New York Measures Production, Persistency, Economy

E. C. KELLY, JR., IS SPEAKER

Eight Factors Shown as Directly Affecting Value of Agents' Business

How the Home Life of New York uses its "Persistency Rating Chart" in its program of increasing production, improving persistency and reducing expenses was demonstrated by E. C. Kelly, Jr., conservation supervisor, at the opening day's joint meeting of the Life Agency Officers Association and the Life Insurance Sales Research Bureau at the Edgewater Beach Hotel, Chicago.

There are certain quality factors which affect directly the production, the persistency and the expense record of each individual agent. These are the insured's occupation, his income, size of policy purchased, method of paying premiums, previous insurance record, method of paying initial premium, plan of insurance, and whether or not the sale is for a definite need.

How Quality Shows Up

"The difference between good quality business and poor quality business is the difference between 14 sales to produce \$1,000 and 67 sales to produce this amount," said Mr. Kelly. "It is the difference between renewal commissions of \$10 per thousand and \$4 per thousand. It is the difference between the next 50 sales netting a profit of \$7,340 instead of \$2,550."

All eight of the quality factors have been made a part of the rating chart. Through the use of this chart the Home Life agent has a tangible measuring rod of his activities. The agent fills out a rating chart on a submitted case simply by checking against the eight quality factors. In this way he measures the soundness of his working methods.

It is extremely important, Mr. Kelly (CONTINUED ON LAST PAGE)

GROUP LEADERS AT RESEARCH BUREAU MEETING



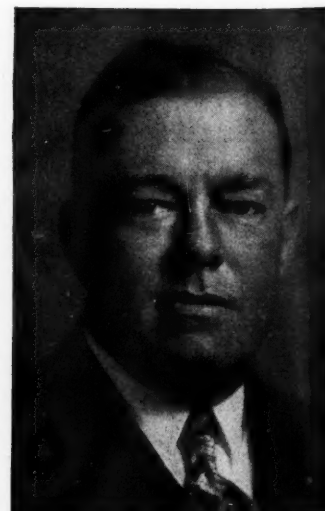
HENRY E. NORTH, New York City Vice-president Metropolitan



VINCENT B. COFFIN, Hartford Agency Head Connecticut Mutual



E. B. STEVENSON, JR., Nashville Vice-president National Life & Accident



E. P. SAMFORD, Birmingham President Liberty National

Advantages of Acacia's Agency Contract: Building a Permanent and Increasing Renewal Monthly Income

THE Acacia Agency Contract is for the man who plans to *stay* in the business.

It pays liberal first-year commissions from the start. Here, its similarity to the ordinary contract stops. Acacia's contract pays a renewal monthly income based on the agent's total business in force and increasing as his business in force increases, during his entire connection with the Company. The ordinary contract pays renewals for only nine or ten years, if that long, when they cease automatically and have to be replaced by renewals from new business sold.

Under the Acacia contract, the agent's renewal monthly income starts during his *first year* when he gets his first unit of business in force, and increases thereafter with each additional unit. Under the ordinary renewal contract, renewals begin only with the payment of the *second year's* premium.

Under Acacia's contract, the agent's renewal monthly income *increases* in size as he grows older. Under the ordinary renewal contract, an agent's renewal income generally decreases as he grows older because each year, after nine or ten years, depending upon the contract he holds, the renewal income payable on business written nine or ten years ago automatically terminates. The man who holds that kind of contract is limited in

his renewal earnings because after the ninth or tenth year he has to write enough new business to offset the automatic terminations plus the ordinary lapses and terminations on his business in order to keep his renewal income level. Under Acacia's contract there are no automatic terminations.

The Acacia contract is therefore the only life insurance contract that does not limit a man's earning power.

In addition to this increasing monthly income feature, the Acacia contract also provides for a twice-a-year bonus for Quality business. It provides for less work in old age, without decrease in monthly income. Also, protection against partial, temporary, and total and permanent disability, and, in addition, it continues the monthly income after his death by payments to the beneficiary based on the income the agent was receiving at his death.

Acacia sells and believes in an old age retirement income and practices what it preaches in its agency contract.

The *best test* of the *value* of Acacia's contract is its *profit* to the men *during the depression*.

We do not seek the agents of other companies but we want everyone to know of the advantages of Acacia's Agency Contract.

Acacia Mutual Life Insurance Company

Chartered by the Congress of the United States in 1869.

Insurance in Force, over \$360,000,000—Assets, over \$65,000,000

Branch Offices in 60 Principal Cities

William Montgomery, President

51 Louisiana Avenue

Washington, D. C.

Buffalo Association Holds Gold Anniversary Banquet

OVER 500 GREET LEADERS

Myrick Is Toastmaster—Patterson Stresses Agency Agreement—Pink and Former Presidents Talk

BUFFALO, Nov. 12.—The Buffalo Association of Life Underwriters observed its 50th anniversary at a dinner attended by over 500.

Julian S. Myrick, past president of the National Association of Life Underwriters, served as toastmaster. He said the life underwriters have performed a great service in enabling many millions of Americans to be secure in their old age, in keeping families together and in making it possible for children to obtain higher education which they could not have had without insurance inherited from parents or other persons.

Mr. Myrick stressed the importance of the American College of Life Underwriters and expressed the hope that individual companies will do all within their power to carry on insurance education.

President Patterson's Address

Alexander E. Patterson of Chicago, president the National Association of Life Underwriters and general agent Penn Mutual Life, urged improvement in the field representation of the life companies through further elimination of unfit agents and part-timers in urban centers. He stated the question is not shall the companies improve their methods of distribution to the public, but how shall they improve their methods of distribution.

Fifty-seven leading companies have already signed the agency practices agreement formulated by a joint committee of life company agency officers and representatives of the National Association of Life Underwriters. He could not understand why all companies should not eventually be signatory to this agreement since it means a better trained agency force and a consequent improved public respect for the institution of life insurance. The advantage would be as much for the company and the agent as for the public. He cited one company in which the weeding out process decreased its number of field representatives approximately 14 percent last year, yet with fewer representatives, this company increased its sales to the public the first nine months of this year by 10 percent.

Mr. Patterson encouraged life agencies living up to this agreement, even though their companies have not signed it, and stated that the National association is aggressively pushing its aims and that increasing the public's respect for the life agent would increase sales through reduced buying resistance.

Weeks Tells Social Value

Harvey Weeks, vice-president of the Central Hanover Bank & Trust Co., of New York City, and a former Buffalo association president, told of the economic and social value of life insurance.

"We must make the people of this country realize that in buying insurance they not only make themselves secure but at the same time contribute to the development of practically every business and industry in this country," said Mr. Weeks.

He credited the pooled funds of insurance with development of American railroads and public utilities, also with raising the standards of living on American farms to the highest point known to civilized man. Mr. Weeks stressed the important part played by insurance in relieving distress during depression.

Harrison L. Amber, vice-president Berkshire Life, and another former

(CONTINUED ON LAST PAGE)

Sale of Stock Is Stopped for Alleged Untrue Data

SEC MAKES SOME CHARGES

National Invested Savings Corporation Is Criticized in Washington General Life Deal

WASHINGTON, Nov. 12.—Issuance of a stop order against the proposed sale of stock by the National Invested Savings Corporation, organized for the purpose of raising funds to purchase 99 percent of the total authorized and to be authorized capital and surplus stock of the Washington General Life, was announced by the Securities & Exchange Commission on the ground the company's registration statement contained untrue statements of material facts and omits other material facts.

The registration statement, filed May 13, 1935, covered an offering of 23,588 shares of preferred stock, par value \$10, and 117,940 shares of Class B common stock, par value 10 cents, which was to be offered in units of one share of preferred and five shares of common at a price of \$11 per unit.

Was Organized in 1929

The Washington General Life was organized under the D. of C. law in 1929 to sell all forms of health, accident and life insurance. Total capitalization is \$6,000.

"It does not appear," the commission stated, "that the Washington General Life has received a license to do business within the District of Columbia, but it is proposed to seek such a license when the requisite finances have been obtained through an increase of the capital stock of the insurance company and the purchase of this stock by the National Invested Savings Corporation. The insurance company has not to date done any business nor is it proposed that it shall do so until its finances have been augmented by the increase of its capital stock and the purchase thereof as above mentioned by the National Invested Savings Corporation."

Charges of Commission

The commission charged that whereas the original prospectus stated net proceeds of the issue would constitute 80 percent of the offering price and would be used to purchase the insurance company stock, and in an amended prospectus it was said expenses of operation, including salaries, would be paid only from the 20 percent expense fund, the earmarked 80 percent was in fact used for payment of salaries, and considerable sums are still due certain persons for services in connection with organization and these liabilities were not shown in the balance sheet.

Among directors were former Senator

Advertisers' Head



D. BOBB SLATTERY, Philadelphia

At the meeting of the Life Advertisers Association being held at the Edgewater Beach Hotel in Chicago this week, the sessions are presided over by D. Bobb Slattery of the Penn Mutual Life, who is president of the organization.

J. E. Watson of Indiana, chairman of the board; Representative McKeown of Oklahoma, president; S. L. Hilton, holder of the Remington medal for achievement in chemistry, Washington, vice-president; David Burnet, Washington, former commissioner of internal revenue, vice-president; Joseph McCoy, Washington, administration examiner for the war labor board during the war; F. W. Buck, Washington, former executive secretary Federal Dispensary Tax Reduction League; G. S. Carll, former newspaper official; J. H. Small, former president of National Rivers & Harbor Congress and former member of Congress; Kelly Nash, former special attorney Bureau of Internal Revenue; Congressman R. L. Ramsay, West Virginia; W. T. Page, minority clerk of the House; Rear Admiral Mark L. Bristol, U. S. N., retired, and Brigadier General David D. Porter, U. S. M. C.

Makes Survey of Advertising

The Connecticut General Life has appointed the James T. Chirurg advertising agency of Boston to make a survey of its advertising to determine whether the most effective use is being made by agents of the present published material. Whether the company will embark on any new or different type of advertising than it does at present will be determined by the results of the survey.

Sales Aid by Advertising Stressed at Chicago Meeting

PUBLICITY MEN IN SESSION

Assistance in Recruiting Agents Helping Production Given as Important Function

Advertising of life insurance in relation to the selling problems formed the basis of much of the discussion at the gathering in Chicago this week of the Life Advertisers Association.

Use of visual selling in recruiting new salesmen was explained by F. O. Lyter, assistant superintendent of agencies Connecticut Mutual. He said facts given in visual fashion create more confidence in prospective agents and give them better answers to their questions than any other method of approach to the problem. The life officers need answers that are undebatable and disarming, in inducing the young men to go into the business, and the answers cannot be composed of generalities.

The Connecticut Mutual plan all this in closely to the theme "A Connecticut Mutual Career," offers suggestions for general agents, a booklet which frankly discusses advantages and disadvantages for successful life insurance selling, and scrapbook sheets. He said the company is not attempting to hand to general agents a so-called canned presentation, but there are certain things they will have to accomplish with each prospective agent before he finds the work more interesting than that in which he is at present employed. The scrapbook sheets are built around individual agents of the Connecticut Mutual, who gave permission to use their earnings figures—men from all walks of life in various earning brackets.

Gives Tips on Direct Mail

Eight ways to make direct mail advertising more effective were proposed by E. E. Kirkpatrick, superintendent of agencies Ohio National Life. These are:

Build it in harmony with the spirit and policy of the company and in accordance with the ethics and best practices of the life insurance institution; determine in advance whether there is a need for the particular piece of literature and produce it only if there is a need; improve the quality of direct mail and reduce the quantity—not more than one piece at a time which presents the same need or idea; let the field staff know for what purpose the piece of literature is produced and how it is to be used; prepare at one time only as many pieces of direct mail literature as can be used to advantage; discontinue direct mail literature that does not move rapidly; keep direct mail literature fresh and up-to-date—discontinue that which becomes out of date and replace it with new, fresh material; require that direct mail circularized from the home office be followed by a personal call on the prospect circularized.

Twenty years' study of operations of direct mail in many companies, he said, forces the conclusion it is impossible fully to estimate to what extent policyholders, salesmen, company management and sales policy have been influenced by sales promotion, direct-mail and other publicity media, but these exert great influence although it is subtle and not quickly recognized.

To make direct mail more effective, those who produce it must be conscious of its far-reaching effect. There should be cooperation among companies, exchange of ideas and work such as in the Life Advertising Association, to keep the institution moving in the right direction. Such cooperation helps to eliminate negative, destructive competitive forms of advertising. The job of putting direct mail to effective use is the responsibility of the home office and should not be passed on to the field men, he said.

THE WEEK IN INSURANCE

Annual meetings of Life Agency Officers Association and Life Insurance Sales Research Bureau held in Chicago this week. **Page 1**

Wastage in life insurance selling still greatest problem in business, Research Bureau staff tells joint gathering with agency officers at Chicago. **Page 1**

President M. J. Cleary of the Northwestern Mutual Life speaks before the Life Agency Officers on the attitude of a president to the agency department. **Page 2**

Situation with regard to insurance commissioners in a number of states outlined. **Page 3**

Some rulings made by the Federal Social Security Board regarding the social security act. **Page 9**

Individualized sales plan rather than regimentation of agents is best method for small companies, Boissard tells life agency officers at Chicago rally. **Page 5**

How Home Life of New York uses persistency rating scale explained by conservation supervisor. **Page 4**

Numerous dividend changes are looked for by Jan. 1. **Page 3**

League of Insurance Women puts on life insurance program at annual meeting of New York State Federation of Women's Clubs. **Page 4**

SEC stops sale of National Invested Savings Corporation stock at Washington in promotion of Washington General Life. **Page 6**

Buffalo association observes 50th anniversary. **Page 6**

Provident Mutual extends "Providor" contract to women; new dividend scale is presented. **Page 21**

New Northwestern Mutual dividend scale is given. **Page 21**

Coming Soon!—"The Heart Decides"

Can You?

Can you go to a man and appeal to his emotional side without being a little shame-faced?

Can you do it with strangers?

In the first interview?

Can you do it every day?

Can you do it several times a day?

Of course you can! But DO you?

Are you afraid your sincerity will be suspected?

Are you afraid your man will murmur, "Sob stuff!"?

Why do so many agents use emotional motivation only occasionally—only when conditions and the mood are right?

Why not create the mood?

Everybody knows that arithmetic alone won't do the job.

Argument alone won't do the job.

Even argument, AND arithmetic together won't do the job.

They will help, of course, but what is that inner something that makes you hesitate to use the "Golden Key"?

You CAN!

This book is the answer to these questions!

"The Heart Decides" shows you how to use the Emotional Appeal—not only now and then—but daily—in every interview—with friends or strangers—cold-canvass or contact—without embarrassment or timidity or fear of rebuff.

a stimulating new book—on the dynamic subject of Emotional Motivation

By BERTRAM BROWNOLD, Agent the Equitable in New York City

More and more life underwriters are coming to believe in the fundamental virtue of appeal to the emotions, in the sale of life insurance. Here is a new book—the first, on this important popular method of presentation—devoted to the use of the "Golden Key" that unlocks men's hearts—the "technique of motivation."

Many agents have hesitated to use the emotional appeal because they thought of it as "sob-sister stuff," mushy, sentimental, whereas they preferred to regard life insurance purely as a "business proposition." Some agents have leaned too far in the direction of sentimentalism and others have made their presentation too "hardboiled." The latter have felt it unbusiness-like to cash in on the widow's tears, hypocritical to make money for themselves by working the "emotional appeal."

Specific, Straight-forward, Human!

Mr. Brownold, in "The Heart Decides," admirably clears up this "twilight zone" in selling life insurance. He is neither overly sentimental nor hard-boiled; he simply deals with life insurance facts as they are by showing the true psychology of emotional motivation. In order to be specific and practical he applies his studies particularly to the field of "programming," but most of his arguments show how the principle of emotional motivation can be used as well in any life insurance interview. In effect, he says "Tell Your Prospects A Story" rather than hard, dry facts. Definitely, he presents life insurance on its *human* side.

Stimulating, Simple Stories—

Today life insurance is understanding that this is its true method of presentation and should not be pushed aside. While much life insurance has been sold on the emotional appeal, never before has it been presented in the clear-cut, sensible manner in which Mr. Brownold goes about his job. The agent using emotional motivation does not need to be "mushy"; he should present life insurance for what it really is, a straight-forward appeal combining the emotions with sound economics and good business. In this admirable, original and scientific treatment, Mr. Brownold shows *how to use the emotions effectively and with good taste.*

How to tell these stories!

With the proper approach, as Mr. Brownold points out in "The Heart Decides," fear or hesitation in the use of emotions disappear entirely and do not even enter into the situation. Whether you are selling programs or not you will find this book helpful and stimulating and will learn from it how to tell insurance stories that motivate. The book tells *why* human interest stories are better than logic; *how* to tell such stories, and by dozens of examples illustrates the use of emotional motivation in (1) answering objections, and (2) selling programs.

Christmas is Coming

What Better Christmas Gift for Your Agents or Insurance Friends than this Brand New Book with its appropriate title—

"The Heart Decides"

We will mail appropriate Christmas Gift Cards Free. Send for Quantity Prices now! Avoid the rush later.

Single Copy
\$1.50

Published by
and

Recommended by
The
National
Underwriter
Company

Mail this for Your Copy NOW!

Send me cop.... of "The Heart Decides" as soon as ready at \$1.50 (or quantity price) per copy.

() Check attached. () Charge to my account. () Send C. O. D.

Name Title.....

Company

Address

City State.....

Mail to The National Underwriter Co., 420 E. 4th St., Cincinnati.

Individualized Sales Plan Best for Smaller Company

BOISSARD GIVES HIS VIEWS

National Guardian Vice-President Discusses Agency Problems at Life Officers Rally

Individualized sales effort by agents along the lines they have found most effective was recommended at the Life Agency Officers-Sales Research Bureau annual meeting in Chicago this week by Richard Boissard, vice-president National Guardian Life, Madison, Wis., as a method preferable in smaller companies to regimentation of the field force. He said his company believes in this rather than in canned sales talks, sales quotas rigidly adhered to and time control from and reports to the home office. He discussed "Some Current Agency Management Problems," in a paper which was filed for the record, being too ill to read it although he took a bow later.

Cost Problem Paramount

He emphasized that the small company first is beset with the problem of keeping costs to policyholders down somewhere near that of its competitors, and while it may have slightly more favorable mortality than larger competitors, it has greater overhead per \$1,000 in force. So it certainly has no greater amount per \$1,000 available for acquisition cost than the large companies.

At least for the smaller company, he said, certain policies in regard to treatment of new agency personnel are essential. The agent should be made to feel at home; should be acquainted with the home office officials and every effort made to sell the belief that the company is sound, treats policyholders fairly, gives them low cost insurance.

It should be stressed that the company policy is to give the field force a square deal and not a changing new deal with every change in agency department administration; that all the company's policies are of the long pull type—that the company has a plan and the plan must give the agents the things they want, a living wage, opportunity for advancement; social security as far as guaranteed vested renewals can, for retirement.

In the National Guardian, he said, new agents are impressed with the thought that opportunity for continued personal contact with the home office is a normal function of the setup. At the same time there can be implanted the conviction that because of the home office official's personal interest in the agent's future the field men will get prompt and efficient service.

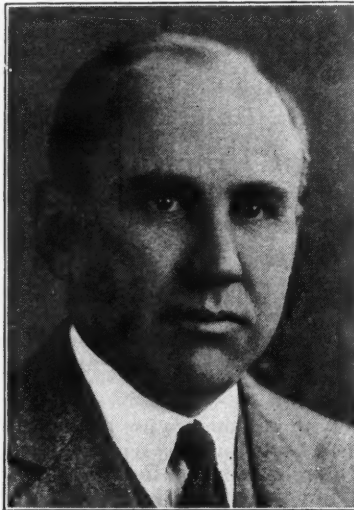
Agents Council Important

This educational campaign is followed up by stressing more in detail that the policies are good ones to sell and the net cost is low. The field council of agents is a great asset, Mr. Boissard said. This organization is run by and for the general agents who very largely determine what the company sells or does not sell. One point that is brought out in relief is that low net cost to policyholders in the long run is important to the agent's earnings and economical and efficient management of the company.

Mr. Boissard said large companies, by virtue of their size and prestige alone, can attract certain stars and hundreds of good agents, but sometimes they get thousands of poor ones. Small companies occasionally attract good steady producers who expect to stay in the business for 20 or 30 years, and also many rural part timers.

Medium sized companies of \$250,000 to \$500,000,000 in force generally have outgrown small company advantages and are not in position to profit by their size as far as prestige in the

Pilot of the Craft



JOHN MARSHALL HOLCOMBE

John Marshall Holcombe of Hartford, secretary and treasurer of the Association of Life Agency Officers, and manager of the Life Insurance Sales Research Bureau, was a busy man at the annual meeting of these two organizations in Chicago this week. Mr. Holcombe is the hub of the wheel in these enterprises and he has done a highly constructive piece of work.

Williams for Federal Act on Unlicensed Companies

JACKSON, MISS., Nov. 12.—A uniform law and probably an interstate enforcement act is necessary to prevent operation of unlicensed insurance companies, Commissioner Williams declares.

He will submit his request for a uniform law to the commissioners in their meeting at Hot Springs, Mr. Williams declares, and the commissioners, he believes, may see need for Congressional action to enforce the law.

"We have 82 companies operating in Mississippi now, either by mail or through unlicensed agencies," he said. "It won't do any good to chase them out of Mississippi into another state, and we can't do anything about those operating by mail from the state in which they are incorporated to the state in which they solicit applicants without license."

Most of these companies are incorporated in some state which grants charters to non-profit and benefit organizations, but do not conduct their business in those states.

field is concerned. He said they are most apt to fall for the promoter type of agent—the self-promoter, who frequently is a floater and usually, Mr. Boissard said, is a twister in that he rewrites the business placed in the company he just left and when that type of business runs out and the advance or guaranteed salary account is withdrawn, leaves for still another company.

A few contiguous states are plenty of territory for a small, young company, Mr. Boissard said—usually five or six states are sufficient.

The strength of the small company lies in the fact that good producers frequently are happier to be leading producers for a small company that to be far down the list in a large company. They want to be their own boss, have their own small agency and be on the honor roll, even though they may not make quite so much in commissions.

Carroll Colvin, agent of the Interstate Life & Accident at Fordyce, Ark., has been promoted to assistant district manager at Pine Bluff.

Cooper Elected President By Pacific States Actuaries

HOLD MEETING IN DEL MONTE

Investments, Money, Inflation, Underwriting and Actuarial Problems Viewed at Three Sessions

Leslie J. Cooper, associate actuary of the Pacific Mutual Life, was elected president of the Actuarial Club of the Pacific States, at the semi-annual meeting in Del Monte. Mr. Cooper, who has been prominent in affairs of the club since its organization, served as vice-president last year. R. R. Brown, vice-president of the Oregon Mutual Life, was elected vice-president, and Robert N. Griswold, associate actuary of the California-Western States Life, was elected secretary-treasurer. O. A. Ehrenclou, actuary of the Northern Life, who served as president during the past year, was elected to the executive committee with C. J. Tookey, associate actuary of the Occidental Life, immediate past secretary-treasurer.

R. B. Richardson, executive vice-president of the Montana Life, served as chairman of the first day's sessions which were devoted to investments. Franklin Wulff of Wulff Hansen & Co., investment counsellors, led the discussions which centered on "money" during the morning and "inflation in the afternoon." Following Mr. Wulff's talks there was informal discussion.

Actuarial Problems Considered

Actuarial problems were discussed at a session led by President O. A. Ehrenclou. Those taking an active part in discussions were: Gordon Thomson, vice-president, West Coast Life, who had just returned from attendance at the joint meeting of the Actuarial Society of America and the American Institute of Actuaries at White Sulphur; Mr. Richardson; Marcus Gunn, California-Western States Life; Mr. Ehrenclou and Charles Torok, Metropolitan Life.

Carlos C. Warner, secretary of the West Coast Life, was chairman of the session devoted to underwriting problems. Those presenting prepared papers were: L. R. Sams, division manager, Retail Credit Company, on inspection trends; Jonas Svendsen, Metropolitan, aviation risks; L. W. Morgan, manager underwriting department Pacific Mutual, on ratings for liquor industry; and Dr. S. W. Means, assistant medical director, Metropolitan Life, on medical underwriting. A number of other subjects including high blood pressure, skull fractures, high or low specific gravity, overweight cases, speculative hazard, sub-standard risks, and modern diagnostic methods were discussed informally.

No Trips Being Arranged

NEW YORK, Nov. 11.—No attempt will be made to arrange groups to go to the meeting of the National Association of Insurance Commissioners at Hot Springs, Ark., according to J. J. Magrath of the New York department, who was delegated by Secretary J. G. Read to handle the transportation question. There are two routes from the east, Mr. Magrath states, one via St. Louis and the other by way of Memphis. Those desiring to stop off at Knoxville for a view of the Norris Dam or at Chattanooga will be privileged to do so, concessions to that end having been secured from the railways.

An exceptionally large attendance is expected. Because of the Life Presidents Association meeting in New York Dec. 3-4, most of the eastern contingent will not arrive at Hot Springs until Monday morning, Dec. 7. President Ernest Palmer and Secretary Read will arrive Sunday to complete details of arrangement for the three-day meeting and to establish headquarters at the Arlington hotel.

"Candid Camera" Shots of Research Bureau Meeting

Registration on the opening day of the Research Bureau and Life Officers meeting in Chicago was 330, an all-time record—the nearest to this having been 270. With arrival of other officials to attend the Agency Officers session later in the week, attendance of 450 was anticipated. There were in addition many Chicago agency and home office executives and agents present.

* * *

The Equitable of New York was well represented, with W. W. Klingman, agency vice-president, as host to a luncheon gathering of his clan. W. M. Rothaermel, superintendent of agencies, central department, Chicago, was in the group.

Vice-president F. L. Jones, A. M. Spaulding, assistant to the agency vice-president; H. J. Rossman, F. T. Lamont, F. B. Runyon and W. H. Glines, respectively New York City, southern department, eastern department and western department superintendents of agencies, and A. M. Sloan, assistant to Mr. Rothaermel, also attended. The Equitable men had held a superintendents' conference at the Edgewater Monday with Mr. Klingman presiding.

* * *

When Chairman O. J. Arnold of the bureau called for the report of the nominating committee from L. P. Brigham, National Life of Vermont, chairman, the latter imitated Calvin Coolidge in his preamble, telling how he did not at one time sell the then lieutenant-governor of Massachusetts a life policy. The voice impersonation was realistic. Mr. Brigham created a sensation after stating that "regimentation can't happen here," by saying with comic inference that he would then read the nominating committee report then being unable for several minutes to find it among the papers in his various pockets.

* * *

Mr. Brigham in the interim of search for the nominating report paid tribute to the late Frank H. Davis of the Penn Mutual, naming Stephen Ireland of the State Mutual to fill the vacancy on the board, but stating nobody could fill the place in the hearts of members left vacant by the passing of that colorful figure.

* * *

Ward Phelps of the bureau staff was chief engineer of the stereopticon machine, an important function in smooth operation of the bureau's meetings, since slides frequently are used to punctuate the addresses.

* * *

Ralph H. Kastner, associate counsel American Life Convention, was an observer, acting for Col. C. B. Robbins, manager and general counsel, who was ill in a Cedar Rapids, Ia., hospital.

* * *

The officials were much interested in the exhibits of the Life Advertisers Association in the west lounge which had been assembled in advance of the association's meeting there Nov. 12-14, and also in the publicity display for 1937 Life Insurance Week and scrap books of publicity received nation-wide in the 1936 campaign.

* * *

The Research Bureau nominating committee consisted of L. P. Brigham, National of Vermont, chairman; D. Gordon Hunter, Phoenix Mutual, and W. Carlisle of the Mutual of Canada.

* * *

Two fine sketches by Olivia Orth were presented during the address of Rensselaer of the bureau—one depicting the difficulties of management research work in perfecting handling of pig iron, and in the other portraying a day in a life insurance agency. Miss Orth, who was introduced, personally directed the dramatizations. The casts were composed of Provident Mutual agents of Chicago.

* * *

The program listed the schedule of agency building schools for 1937, these being: Niagara Falls, Ont., Feb. 8-19; New York City or vicinity, April; Pittsburgh or vicinity, May; Chicago, June and July, two schools. Illustrated descriptive booklets have been prepared.

**Shots of
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**Col. C. B. Robbins Now in
Cedar Rapids Hospital**

CEDAR RAPIDS, IA., Nov. 12.—Col. C. B. Robbins, president of the Cedar Rapids Life, manager and general counsel of the American Life Convention at its headquarters in Chicago, has been confined in St. Luke's Hospital here for some time due to an attack which has been diagnosed as intestinal inflammation. Colonel Robbins has been leading strenuous life recently, which undoubtedly accounts for his being laid up. He has been in great pain.

**Northern Life of Canada
Has Opened Detroit Office**

Henry Weingarden, manager of the Northern Life of Canada in Detroit, has taken offices in 1920 David Stott building. He has been manager at Windsor, although residing in Detroit. London is only about 120 miles from Detroit and therefore is not far from the home office. General Manager Geddes was for some years connected with the actuarial department of the Continental American. Assistant General Manager E. Fay Davies was connected with the Life Insurance Sales Research Bureau at Hartford. Chief Underwriter H. L. Sharpe received his training at the Lincoln National. It intends to operate throughout Michigan and plans for intensive cultivation of the state next year. The Northern Life has an outstanding group of men on its directorate and its officers are very proud of its investment portfolio. It is making commendable progress.

**California Caravan Series
to Start Nov. 19 at San Jose**

The first in a series of meetings to be held by Northern California life underwriters associations at which the "Caravan" of speakers from the San Francisco Life Underwriters Association will present the entire program Nov. 19 at San Jose. Speakers will be T. A. Gallagher, Prudential, president of the San Francisco association; Karl L. Brackett, John Hancock, president California State Association of Life Underwriters; Phil G. Young, Metropolitan, secretary of the National association, each of whom will present greetings from their respective organizations. The

"sales" end of the meeting will be handled by Gerald F. McKenna, manager Continental Assurance, chairman of the program committee of the San Francisco association; J. L. Brader, Equitable Life of Iowa, and W. V. Power, Aetna Life.

The second meeting will be held at Fresno Nov. 28. F. J. Van Stralen, Massachusetts Mutual Life; Paul Weber, Lincoln National and Mr. McKenna will present the sales material and the same association speaker will talk.

On Dec. 7 the Los Angeles "Caravan" will present a program before the San Francisco association.

Stevens to Bankers National

The Bankers National Life of New Jersey has appointed Donald A. Stevens of New Cumberland, Pa., as manager of its Harrisburg district. He was formerly with the Equitable Life of New York in the E. A. Woods Agency in Pittsburgh and as district manager at Providence. More recently he was Harrisburg district manager for The Lutheran Brotherhood's insurance organization.

Wofford Mark \$4,547,000

The H. L. Wofford Agency of the Prudential in New York City had a paid business for October of \$341,679. For the year to date, the agency's business is \$4,547,721, which is 7 percent ahead of the same period last year.

Thierbach to Give Talks

R. P. Thierbach, assistant director of agencies Northwestern Mutual Life, will speak to the Life Underwriters Association at Bloomington, Ind., Nov. 17. The following day he will address a joint meeting of the C. L. U. and the Life Managers & General Agents Association of Cincinnati, and also visit the William Mack general agency there. The next day he will be in Toledo to address the local association and attend a meeting of the Merritt Mason agency.

In commemoration of his birthday anniversary, Robert L. Bowen, superintendent of insurance, was tendered a surprise luncheon Monday in the offices of the Ohio department in Columbus. He received a number of appropriate gifts, together with flowers, and cards and telegrams of congratulation. Walter A. Robinson, actuary, presided at the affair, which was attended by the employees of the division. Mr. Bowen made a short talk, expressing his appreciation.

SURVIVORSHIP INVESTMENT DECISION

WASHINGTON, Nov. 12.—Holding that the survivorship investment fund features of policies issued by the Illinois Life have no relationship to life insurance risks and that such funds therefore cannot be treated in income returns as part of the company's reserve, the United States Supreme Court reversed a decision of the seventh circuit court of appeals holding that the company had acted properly in making a deduction of \$133,755.71 in its return for 1929.

The case, which came before the court on an appeal by the commissioner of Internal Revenue from a ruling of the board of tax appeals, which was affirmed by the circuit court, involves a construction of a clause of Section 203(a)(2) of the revenue act of 1928, providing for the deduction for reserve funds required by law.

Refers to Coupon Decision

In its decision, the court pointed out that it had previously held (in *Helvering vs. Insurance Co.*) this provision not to apply to assets reserved by a life company against unmaturing, surrendered and unpaid coupons attached to its policies on the ground that such reserves were not essentially those "which alone constitute the base on which deduction is computed." The same argument, it

was held in the decision of the Supreme Court, applies to survivorship investment funds.

"The phrase 'required by law' includes only reserves that directly pertain to life insurance," the court pointed out in its opinion, delivered by Associate Justice Butler. "Other reserves, even though required by state statutes regulatory of the business authorized to be carried on by life insurance companies, are not included. Under these policies the company's liabilities on account of the investment funds are independent of those attributable to life insurance risks.

"The right to participate in the investment funds is not dependent upon death of the insured. The company's liability is the total of contributions to the fund plus the interest agreed to be paid. It is bound to discharge this liability at the end of 20 years. Its life insurance liability arises upon the death of the insured. Ascertainment of the reserves attributable to that liability involves consideration of the amount contributed to them out of premiums plus interest for a period estimated on the basis of mortality. The survivorship investment fund feature of these policies has no relation to life insurance risks. Under our decision in *Helvering v. Insurance Co.*, supra, reserves in respect of that feature are not covered."

A Good Name

During a full quarter century, Continental Assurance, by intelligent advisory service and just settlement of claims, has built a reputation which commands your consideration as commendable Life insurance protection for your clients.

Soundly financed and ably managed, it invites you to draw upon its facilities for all forms of Life insurance service.



Continental
ASSURANCE COMPANY

CHICAGO, ILLINOIS

Affiliated with

CONTINENTAL CASUALTY COMPANY

"PROSPECTING FOR GOLD"

The expression "Thar's gold in them hills" has sent many a man on a fruitless hunt for fabulous wealth. Often he left his family and steady employment behind, yet the conclusion of these experiences had a significant similarity.

Too frequently this type of individual is found in the Life Insurance business. Constantly he is on the "look" for a "Big Opportunity" . . . and usually he, too, fails to reap the real returns that come to those who work one "claim" with the right equipment, and who really dig for every ounce of "pay dirt."

Contrast then, the success story of hundreds of B. M. A. salesmen. Their "claim" includes thirty states and the District of Columbia. They are "equipped" with all forms of Life Insurance, including group, annuities, juvenile, health and accident policies. Is it any wonder B. M. A. salesmen are working one "claim" and finding "pay dirt"? That's why we say, "B. M. A. salesmen are Prospecting for Gold . . . and finding it."

BUSINESS MEN'S ASSURANCE CO.

KANSAS CITY, MISSOURI

W. T. GRANT, President

SALES MEETS

Wichita Meeting Is Held by Northwestern Mutual Life

The two-day regional meeting of the Northwestern Mutual Life held in Wichita was attended by nearly 200. Henry Laffer, Wichita general agent, was host. A feature was a long distance telephone broadcast at the banquet by President M. J. Cleary at Milwaukee. Four home office men spoke: Grant L. Hill, director of agencies, J. T. Gallagher, superintendent of claims; H. R. Ricker, assistant secretary in charge of option settlements, and William Ray Chapman, assistant director of agencies.

Three contests conducted in connection with the gathering were all won by the Wichita general agency, P. M. Anderson, Wichita, being high in "volume" sold and "points scored" and Frank Hill, Beloit, first in "lives written." P. M. Anderson, Wichita, and E. H. Anderson of Topeka, veteran Kansas agents, presented a novel "Now and Then" dialogue.

Buffalo steaks were served at the banquet. They come from buffalo killed on the Oklahoma ranch of J. C. Berryman, Ashland, Kan., agent.

The Laffer general agency led all 84 general agencies of the company in percentage increase for the first nine months. The agency has completed 12 consecutive months of increased business.

Agency of Mutual Life in Pittsburgh Has Convention

The Pittsburgh and southwestern Pennsylvania agency of the Mutual Life of New York, of which A. F. Haas is manager, held a convention there. Charles Benjamin, president of the Pittsburgh agency field club, presided at the morning session. A. F. Randolph of the Penn Mutual in Pittsburgh spoke on profitable prospecting. R. S. Koehler, Jr., Mutual Benefit Life, past president Pittsburgh Life Underwriters Association, gave an address and Louis Carroll of the Mutual Life commented on business insurance. Then there was an hour seminar, in which each of the three speakers acted as chairman and discussed with the agents the points made.

At the afternoon session, Carroll Travis, who is conducting training clinics and classes in salesmanship, and Judge James Grey of the common pleas court in Allegheny county spoke.

Mr. Benjamin presided at the banquet. New officers of the field club were announced. W. B. Lichliter of Somerset being the new president of the Pittsburgh Field Club.

Southland Life Agents at Home Office Meet in Dallas

DALLAS, Nov. 12.—Nearly 200 agents of the Southland Life attended the opening of the company's annual home office convention. Enthusiasm was dampened by the announcement that President Harry L. Seay, who was to make the most important address at the opening session, was seriously ill in a local hospital. Mr. Seay's paper was read by Clarence E. Linz, first vice-president. Col. W. E. Talbot, vice-president and agency director, was in charge of the meeting. W. T. Gwaltney, Fort Worth, with production between Jan. 1 and Oct. 1 of \$921,000 was named leading salesman. A. C. Bayless of Houston with \$675,000 was second.

Others taking part in the meeting are Commissioner Daniel of Texas; P. N. Thevenet, vice-president and secretary; P. V. Montgomery, vice-president and

actuary; Harry L. Seay, Jr., treasurer; Mr. Talbot; Dr. J. T. Montgomery, medical director; and Mr. Linz.

Lorry A. Jacobs, director of public relations, is confined to his home with an attack of influenza, so was unable to be present.

Atlantic Life Meeting

William H. Harrison, vice-president and superintendent of agencies of the Atlantic Life, and Robert G. Richardson, agency secretary, attended a rally in Toledo of agents from that city and Cleveland and Detroit. Plans for 1935 with emphasis on how to write quality business were discussed.

Annual Hunting Trip

The annual hunting trip of the McGregor & Wade agency of the Ohio National Life was held at the Palmyra Gun Club Lodge in the Seven Mountains north of Lewistown, Pa. The occasion was a celebration of the successful president's month campaign the agency had just complete. Besides the members of the agency attending, John H. Evans, vice-president; N. E. Glassbrook, superintendent of Michigan agencies, and A. W. Theiss, sales promotion manager, were guests.

Southern L. & H. Appointments

Two managerial appointments have been made by the Southern Life & Health: R. R. Hamilton, formerly DeLand, Fla., assistant, has been named manager there succeeding W. P. Townsend, resigned. Carl Johnson, who has been with the company over 20 years as agent, assistant, and manager, has been promoted to Pensacola manager, replacing W. J. Burke, who has resigned.

Is Named Actuary



RICHARD J. LEARSON

CINCINNATI, Nov. 12.—Richard J. Learson becomes actuary of the Western & Southern Life to fill the vacancy created by the death of S. E. Stillwell. He is a native of Boston, graduate of Harvard, class of 1926, entered the life insurance business with the John Hancock Mutual Life immediately after graduation, working in the actuarial department until January, 1931, when he joined the Western & Southern as assistant actuary. Advancement to associate actuary came in 1934. Mr. Learson has been acting actuary since the retirement of the late S. E. Stillwell in May of this year.

Mr. Learson is a member of the Actuarial Society of America and the American Institute of Actuaries. His company interests have not been confined strictly to the usual work of the actuary but have included efforts in underwriting and sales analysis.

Tells Results Obtained with Persistency Chart



E. C. KELLY, JR.

E. C. Kelly, Jr., field supervisor for the Home Life of New York, spoke at the meeting of the Life Agency Officers Association in Chicago this week on the use of an agency persistency chart, outlining the results his company has obtained in that way.

Penn Mutual Officials in Meet With Johnson Staff

Penn Mutual home office training officials, headed by E. Paul Huttinger, manager of training, assisted by Grover D. Davis and F. E. Herb, held a two-day sales school in Pittsburgh for the 100 agents in H. J. Johnson agency.

Advance material on use of the family income policy, insurance for tax purposes and business insurance was given. Mr. Huttinger said business conditions are creating a revived interest and greater demand for business insurance, especially for partnerships. Smaller size concerns have many problems the insurance man can solve.

The business of the first 10 months this year put more new names on the agency's records than in any like period in its history, Mr. Johnson said. Increased purchasing power and emphasis on old-age income, have stimulated the demand.

Views Debt Adjustments

TORONTO, Nov. 12.—Debt adjustment problems can be settled amicably and without recourse to confiscatory legislation, said Thomas Bradshaw, president of the North American Life of Canada, at a dinner of the Life Insurance Institute of Canada. He told of the voluntary adjustment scheme, involving about \$75,000,000, arranged for the province of Saskatchewan. Mr. Bradshaw stated that a tendency for debtors to under-rate their capacity to pay, in an effort to secure as low a settlement as possible, was evident.

Simmons Is Assistant Manager

Delmar L. Simmons, Greenville, Miss., has been appointed assistant manager of the Thompson Agency of the Reliance Life in Jackson, Miss. Mr. Simmons graduated from the University of Mississippi in 1925. He was a member of the varsity football team. He entered life insurance in 1932.

Company Not Obligated

NEW YORK, Nov. 12.—A life company is not obligated to apply a dividend to the payment of premiums if the insured has not so directed and if the policy provides that in the event of no option being exercised the dividend shall be paid in cash, according to a recent

decision by the New York supreme court. The fact that the dividend was due but had not been paid at the time of the insured's death does not alter the case, the court held.

The policy contained the usual options to the effect that the dividend could be paid in cash, used toward the payment of premium or left with the company. The case was Bishop vs. Mutual Life of New York.

Iowa Agency Has Meeting

Income insurance contracts as opposed to lump sum insurance contracts were the principal items under discussion at the agency sales conclave of the Mutual Life of New York in Des Moines Monday. Fifty central Iowa agents attended. Charles E. Brown, Des Moines agency manager, presided. Discussion leaders were Hon. Brown, C. W. Haines, agency supervising assistant; T. G. Scanlon, agency organizer, and R. L. Compton, service representative.

Capt. T. E. Voight, a successful producer for the past three years, has joined the San Antonio, Tex., agency of the West Coast Life as manager of its southern army department, in charge of Texas, Oklahoma, Kansas and New Mexico.

C.L.U. NEWS

HONOR ROTH IN PORTLAND

The Portland, Ore., C. L. U. chapter at its first fall meeting had a large attendance complimentary to E. K. Roth, recently appointed general agent there of the Mutual Benefit Life. Mr. Roth received his C. L. U. while in Tulsa, Okla. S. D. Chapin, Mutual Life of New York, was formally received as newest member of the chapter.

It was decided that the Portland chapter sponsor again the C. L. U. classes.

* * *

COURSE AT DRAKE UNIVERSITY

A special preparatory course for life insurance salesmen who plan to take Part V of the C. L. U. examinations is being offered this year at Drake University, Des Moines, in its college of commerce. The class is meeting two hours a week in the evening.

* * *

ORGANIZE DALLAS CHAPTER

The Dallas C. L. U. chapter has been organized with R. E. Fried as president; T. L. Bond, vice-president, and John A.

Monroe, Jr., secretary. Committee chairmen are: Ricks Strong, educational; Cora Dulaney, program, and S. A. Chiles, membership.

The Dallas chapter is sponsoring a school that has enrolled 20 life underwriters to prepare for C. L. U. examinations.

* * *

PRESENT LOS ANGELES DIPLOMAS

The Los Angeles C. L. U. chapter held a dinner meeting and dance at which diplomas were presented to 13 1936 class of C. L. U.'s by Kellogg Van Winkle, agency manager Equitable of New York. Dr. C. J. Rockwell, University of Southern California, gave a brief address of welcome. Harold Leslie, general agent Northwestern National, addressed the new members, emphasizing their individual responsibility to the public, to the company represented and to their fellow agents.

H. B. Trenham of the California Tax Payers Association discussed "Trends in Population," from the viewpoint of the taxpayer—demonstrating how population trends affect taxation.

Six New England general agents of the Home Life of New York will hold an interagency contest which will end with a regional sales congress in Boston with home office officials as guest speakers.

AGENCY MINDED

Life insurance agents well know the importance of an agency minded Head Office organization—men coming into the business will soon learn it. The Fidelity is an agency minded organization. From the President—who was an agency man—right down the line, its organization has foremost in mind the success of its agents in the field.

Assistant Managers of Agencies and Supervisors are almost constantly in the field visiting agencies and cooperating with managers in making the work of the agent easier and more resultful. The Publicity Department is creating selling aids and planning promotional activities solely in their interest.

A well manned staff of trained and experienced insurance people are constantly studying the work of agents in order to suggest ways and means by which their selling job may be furthered and improved. The cooperation of other departments offers added evidence of the fact that this company is indeed agency minded.

Fidelity underwriters never lose their identity. Its production clubs give prominence to successful producers. Its publications make them known to the field. Its conventions bring them warm friendships with the Head Office staff and field alike.

The reputation of being an agency minded company and a friendly company too, has been fairly won.



One of a series—Giving facts about the Fidelity.

The FIDELITY MUTUAL LIFE
INSURANCE COMPANY
PHILADELPHIA
WALTER LEMAR TALBOT, President

Fact Finding Now Valuable Function

(CONTINUED FROM PAGE 1)

this line of research, it was agreed by the agency officers.

O. J. Arnold, chairman of the bureau and president Northwestern National Life, led off the first day with an address which was scheduled to be the curtain-raiser, but which he explained was the talk he had intended to give as a wind-up. The bureau's work, he said, embodied three distinct types of endeavor. First was the job of finding and defining the job to be done, which was an essential step in research, he said, and that the bureau did in its earlier years. Some of the work was theoretical and impractical, and it is known now that the results given as presuming to answer some questions were by no means final. He characterized this second era as the "Don Quixote" period in the bureau; the one of attempting to solve problems that had baffled life company executives and agency men for years.

The third period—the present—is the fact-finding era, in which valuable work has been done. The "shot-gun" method of finding the mark, of necessity, has been used, because the shotgun was more likely to find the mark than a rifle. Mr. Arnold said it was the executives' job to employ the material usefully, to digest it and use it with common sense. He said much of the value of the material has been lost due to failure to see this point.

The bureau has been aware of this difficulty and through its service department has sought to gain more practical use of the material.

The accumulation method, however, he said, apparently has not fully met the problem of research in life insurance. That became obvious to the board several years ago. He touched on the persistency rating chart as one of the experiments in broadening the bureau's work. Such work demands perfection of new technique, vision and reaching out into the unknown.

Solutions Never Will Be Found

Lessons learned were that full cooperation is needed to the bureau's success. Secondly, that it was sheer folly to seek tailor-made solutions that would and could never be found. It was learned that there can be no final solution to the problems. Events are everlastingly on the move. Officials cannot foresee tomorrow, but they can be assured that tomorrow will bring new problems and new methods.

The final and most important method, he said, is that plans and methods are simply helpful to and must be used by men. Their value depends largely on their being used by men who are fitted to use them. This is the basis of the newer technique of the bureau. The responsibility for the practical use of the bureau's findings falls on the company officials.

Deal with Men, not Machines

"We are not dealing with machines," he said, "but with men whose moods change." Building and maintaining of morale in the agency organization are vital. Every change in the moral tone of the agency force has direct bearing on the success or failure of the methods that are being tried. He asked if companies can afford to rest and relax in their efforts after so much research at great expense of time, money and effort.

Mr. Arnold touched on the development of merchandising research in industry, citing especially the growth of the dye industry in this country during and following the war. This research made the United States independent of Germany in the dye trade, and now the country produces half the dyes of the world. The Research Bureau is entering upon a new and more useful era, he said, expressing belief that while the course of the research may be tentative, it is a step in the right direction.

Manager J. M. Holcombe, Jr., of the

Research Bureau, delivered his annual report on the bureau's work and progress in the year. He recalled that Nov. 10, 1921, the agency officers met in the Edgewater Beach, there being considerable discussion of the impending birth of the bureau, with some doubt that it would be a lusty infant. And Jan. 2, 1922, the "baby" was born at the Massachusetts Institute of Technology. Mr. Holcombe announced that due to heavy enrollment there will be two agency building schools at Chicago next year, one in June and the other in July.

The initial attendance was large, the ballroom at the Edgewater being nearly filled at the sound of the opening gavel. Chicago's weather, which had been in clement over the week end, relented, with a bright sun which served to emphasize the constructive hopefulness of the assembled company officials.

Greater Assurance Noted

There was evident a more assured tone. The Research Bureau knows a little better this year where it is going, and the agency officers, who have been in a maze of complexities during the years of depression with the future well obscured, were quite apparently more optimistic.

The research work, Mr. Holcombe emphasized, was developing along three lines—first, selection. He noted a machine that was offered him that was presented as being able to measure a man's head and determine whether he

complish?" He emphasized that these are not necessarily conclusions, but serve actively to summarize the present trend of thinking.

Agents' compensation, he said, is closely modeled on what the primary agency objectives were until very lately, but there is evidence that in the last three or four years there has been decided change in the agency management objective. In the past this was volume, but it is more and more being stressed that it is quite possible for a company to sell more business than is good for it, and that the urge for quantity shall not result in sacrifice of quality; with a watchful eye to expense and probable financial return from the effort.

Financing has returned to plague in the business. This is so because the present commission plan is such that a new agent will not receive over \$8 per \$1,000 during his first year for business sold that year, Mr. Holcombe said. If he is one out of the 25 hired who are able to sell \$100,000 in the first year, he will earn about \$800. Therefore, some one must bridge the gap.

COSTS ARE OUTLINED

L. S. Morrison, consultant of the bureau, spoke on "Agency Planning and Selling Costs." Companies, he said, must truly interest themselves in keeping costs down; they must realize that while in many cases they may be able to fit the man to the job, they often must fit the job to the man. They must learn more in a definite quantitative way about facing principles of agency management and how these should be applied to present day problems, with especial reference to fundamentals influencing selling costs and determining what the company can pay for business. Finally the companies must be less concerned with mere methods and more with principles.

Agency first year unit costs have gone up in the last 10 or 15 years, he said, and no one seems to know the exact amount of this long term increase in

could be a successful life insurance agent. Mr. Holcombe said the man wanted to sell it to general agents, who grasp at any means of solving this great problem; and has sold the machine. Mr. Holcombe said he had received letters from general agents who bought the apparatus who swore it solved the problem.

Other Lines of Activity

Another line of activity is financial operations of agencies—costs, contracts, etc. Third, is agency management. The results, Mr. Holcombe said, far exceeded the greatest hopes of bureau officials a year ago. The trend is toward emphasis on strategy, rather than tactics.

In addition to Manager Holcombe, there were present from the bureau's staff Laurence S. Morrison, consultant, who is studying agency and branch office costs; K. R. Miller, consultant, chairman advertising research committee Life Advertisers Association; Rensis Likert, head of the research department; L. W. S. Chapman, consultant; L. J. Doolin, head of the service department; Ward Phelps, service department; R. R. Massey, assistant to Mr. Likert; W. L. Stannard, service department; John H. Jamison, consultant service department; K. H. Mathus, editor "Manager Magazine" and the "Handbook," and Miss Elizabeth C. Stevens, office manager.

L. S. Morrison of the staff gave a talk on "Agency Planning and Selling Costs."

A feature of the first morning session was presentation of an Olivia Orth playlet during the talk on "Agency Management" by Rensis Likert of the bureau staff, dealing with management research

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LIFE INSURANCE WASTAGE

(CONTINUED FROM PAGE 1)

cost of selling \$1,000 of new insurance. The bureau records indicate an increase of about 50 percent, but some officials think the cost has doubled in the last 10 years. One company shows 42 percent increase in agency acquisition costs during 1935 over 1929.

He hazarded a guess that it was due to the more complex nature of the business today. He said 15 years ago general agents produced more personal business; there was less formal emphasis upon recruiting, training and supervision; agency quarters were less elaborate and less expensive. Generally the business seems to have been less highly systematized. Apparently life insurance went through much the same process as other businesses before the depression, with over-expansion which would not have occurred if the depression could have been forecast. In spite of all this money and effort spent, the result in paid for ordinary is about the same as 13 years ago, he said.

Too Many Inefficient Agencies

It is natural and inevitable that the number of high cost agencies has been increased during the depression and there should always be some of these, but there are too many inefficient agencies, Mr. Morrison said. Many of the high cost agencies could do an efficient low cost job if they were operating on a scale better fitted to their abilities.

It all seems to go back, he said, to a belief in an unlimited life insurance market—the American tradition. This can get life companies into difficulties if it is not mingled with common sense which tells that the amount of money available for life insurance, price of insurance to the buyer, degree of ability and skill in the sales force and amount the companies can spend for acquisition, are controlling factors. The record shows that the recruiting situation is unsound, he said, with a high turnover as always. Under such a condition high costs are almost inevitable.

K. R. Miller, consultant of the bureau and chairman advertising research committee of the Life Advertisers Association, discussed "Whither Life Insurance

Advertising?" He dealt especially with the study of national life insurance advertising to be conducted by the bureau in 1937. The bureau and Life Advertisers Association ignored all requests to make such a survey until now because there was not sufficient experience available in companies which had been advertising. The study will deal with companies which have advertised for at least three years.

The first step is in a long time program of advertising research to get the facts on how much money is being directed to advertising channels and the purposes for which it is being used, after which the questions should be studied: What is the objective, is enough money being spent to do the job that is undertaken, what are the companies getting for their money, are they using the right kind of advertising to achieve the objective? There has been a rapid increase in national advertising. Twelve years ago only six life companies advertised nationally, with appropriations totaling about \$1,000,000; this year there are 20 companies with total expenditure of more than \$3,000,000.

MERCHANDISING TOLD

One of the greatest problems in national advertising of life insurance has been the merchandising of it to the men in the field. In many companies there appears to be little if any follow through or coordination of advertising and sales promotion. Companies which have gone far in developing their national advertising have induced their agency organizations to go along in the process.

The bureau's survey of advertising expenditures by life companies in 1933 was submitted, showing larger amounts spent in advertising life insurance than in 1934, representing a larger proportion of total premium income. Among companies with \$400,000,000 or more in force, the most noticeable increase was in the line of space advertising; among companies with \$150,000,000 to \$400,000,000 in force there was a general increase in amount spent for annual report advertising and direct mail, while the companies under \$150,000,000 showed marked general increase in amount spent for general sales literature. The information was secured from 46 companies, 16 being in the first group, 12 in the second group and 18 in the third.

Comment on Sales Development

There is evidence that life insurance agency management is following the same general lines of sales development as occurred in industry, Rensis Likert of the bureau staff said in a talk on "Agency Management." If this is true it will permit the institution to profit by utilizing much research done by industrial management. Morale and motivation of agents is a factor of prime importance in determining this activity and the bureau is securing data pointing to technique which can be used to build morale.

In life insurance as elsewhere there is only one sound way to improve the manner in which a job is done, and that is to analyze it in a scientific manner. Practice does not necessarily make perfect if the method to start with is wrong. The job is to improve the effectiveness with which agents and managers operate, which will be brought about only by scientifically studying operations and determining experimentally the best ways in which it can be done, then there must be selected those agents potentially most able to do the job and train them in the approved methods which must be followed by continuous, effective supervision.

Tells of Agency Survey

For many months, he said, the bureau staff has been studying intensively the manner in which operations and management of two groups of agencies differ, one consisting of the so-called best agencies from the standpoint of sales management, and the other agencies which company executives consider to be doing a poor organization job. The data is secured by interviewing the manager,

especially with the insurance agents. It requires two skilled interviewers from one to four weeks to secure the desired data. The opinion of the home office concerning the agency also is being secured.

There has been perhaps too much concentration on tactics. Scientific management in industry required 50 years to realize the importance of morale and motivation and its major responsibility effectively to direct toward the desired objective the energy, enthusiasm and motives of its employees. In the agency management study the bureau has attempted to organize research to work on the level of strategy and is finding morale to be an item of major importance in agency operations.

Agency Men Hold Chicago Meeting

(CONTINUED FROM PAGE 1)

executive vice-president Montana Life, and S. T. Whatley, vice-president Aetna Life.

The executive committee of the bureau consists of Mr. Jaeger, chairman; Mr. Arnold; C. D. Devlin, Confederation Life; Grant L. Hill, Northwestern Mutual, and Mr. Wilde.

John Marshall Holcombe, Jr., is secretary and manager of both organizations.

Accident and Health Committee

The general committee in charge of Accident & Health Week met Thursday. H. R. Gordon, executive secretary of the Health & Accident Underwriters Conference is chairman. A number of the men attending the life meeting are on the committee and hence it seemed desirable to take advantage of their presence in Chicago.

The Research Bureau started its meeting Tuesday with Mr. Arnold presiding. Manager John M. Holcombe reviewed the high spots of the year in the bureau. L. S. Morrison, consultant of the Research Bureau, spoke on "Agency Planning & Selling Course" and Rensis Likert, head of the research department of the organization, had as his topic "Agency Management." In the afternoon C. L. Benner, vice-president Continental American, had as his topic "Economic Situation and Its Relation to Life Insurance." Eugene C. Kelly, Jr., field supervisor Home Life at New York, took as his topic "How to Present the Persistency Rating Chart to Managers." W. F. Penny, director of agencies Sun Life of Canada, talked on Compensation—Today and Tomorrow." Mr. Arnold closed the meeting with some general remarks on "Progress Through Research." An informal dinner was held Tuesday evening.

Wednesday's Activities

On Wednesday morning W. W. Jaeger, chairman of the research bureau executive committee, presided, there being three talks on "Some Current Agency Management Problems; How We Are Meeting Them—Some Successfully—Some Unsuccessfully." Richard Boissard, vice-president National Guardian Life C. D. Devlin, general superintendent of agencies Confederation Life, and D. Gordon Hunter, vice-president Phoenix Mutual, were the discussants.

J. C. Behan, vice-president Massachusetts Mutual, in outlining information necessary for supervision of agencies by the home office, urged simplified reports on agencies. He said simpler records would not only make things easier for the home office, but indirectly for the man in the field, since the office could be of greater help to him.

Mr. Behan praised highly the work of W. L. Stannard and the Research Bureau in preparing simplified reports for general agents to submit. The record is brought up to date monthly, with a quarterly resume. Experience has shown these of great help, he said.

The record shows quickly the status of each unit's business, and can be con-

Jos. Futz Sends Letter to President Roosevelt

EIGHTY-FOUR, PA., Nov. 12.

—With commendable pride, the insurance leader, Jos. Futz, dispatched Wednesday morning of last week a special delivery letter to President Roosevelt at the White House, tendering congratulations and telling him that this locality turned back the Republican horde in Pennsylvania. Mr. Futz aptly characterizes the President as the "man of the hour." He further tells Hon. Roosevelt that he has the opportunity of a life time to hand down his name in imperishable bronze by cleaning out the insurance underbrush. Mr. Futz uses his cousin here, Geo. Futz, who runs the filling station and sells insurance, as an example of a demoralizer in this lofty profession in that he can well be called a "chiseler of insurance" as Jos. boldly puts it. Furthermore Jos. claims his cousin is jealous of him and seeks to humiliate him in the eyes of the community. Jos. informs the Hon. Roosevelt that Geo. voted for Landon and urged others to do so. "It is such scalled agents," Jos. indited in his special delivery letter, "that you should employ every means in your power to run out of the country."

veniently contrasted with the whole. Unnecessary figures can be avoided he explained, and simultaneously a finger can be put on each agency's weakness. Mr. Behan also praised the past production record work of C. O. Fischer, now vice-president, when he was a general agent in Peoria, Ill.

There were two talks on "Applying the Information to Supervision," one by B. N. Woodson, Jr., executive assistant Mutual Trust Life, and the other by M. L. Williams, assistant manager of agencies Provident Mutual.

Group Sessions Held

On Wednesday afternoon there were group sessions, there being four. The first group comprised senior officers of companies with more than \$200,000,000 insurance in force with Henry E. North, vice-president Metropolitan, as chairman and Mr. Holcombe as assistant. Group 2 embraced junior officers of companies with more than \$200,000,000 insurance in force with Vincent B. Coffin, superintendent of agencies Connecticut Mutual, chairman, and L. W. S. Chapman, consultant of the Research Bureau as assistant. Group 3 consisted of representatives of companies with from \$50,000,000 to \$200,000,000 insurance in force with E. B. Stevenson, Jr., vice-president National Life & Accident, as chairman and Kenneth R. Miller, consultant Research Bureau, assistant. Group 4 comprised executives of companies of less than \$50,000,000 insurance in force with F. P. Samford, Liberty National, as chairman and L. J. Doolin of the Research Bureau as assistant.

Following the group meetings the agency practices conference was held. Signatory and non-signatory companies were asked to be present.

Thursday's Program

On Thursday the agency officers held forth with H. M. Holderness of the Connecticut Mutual presiding. Paul F. Clark of Boston, general agent of the John Hancock Mutual, who is a director of the American College of Life Underwriters, reviewed the work of that institution and told about the examinations for C.L.U. and results. Frank L. Jones, vice-president Equitable Life of New York, chairman of the replacement committee, gave a valuable report on that subject which will be highly important to the companies. S. T. Whatley, vice-president Aetna Life, who was chairman of this year's Life Insurance Week com-



TALENTED ACTORS, like life insurance salesmen, realize that competent, carefully rehearsed support does not decrease the brilliancy of the individual, but increases it; that a scientifically planned sales program adds luster and effectiveness to their own work.

The General American Life and its field organization are cooperating on a planned program of field activities.



St. Louis, Missouri

Life • Salary Savings • Group
Accident and Health

mittee, told what was accomplished in that activity. George L. Hunt, vice-president New England Mutual, and chairman of next year's Life Insurance Week committee, revealed some of the plans that he has in mind. A. R. Miller, consultant of the Research Bureau, gave a talk on "Whither Life Insurance Advertising?" largely in tribute to the Life Advertisers Association which was meeting in the hotel. Manager Holcombe spoke on "The Agency Year." In the afternoon Hubert Greaves, professor of public speaking at Yale, who has appeared before many agency gatherings, spoke on "Artistry in Selling." President M. J. Cleary of the Northwestern Mutual, closed the meeting with a talk on "Agency Management from the Viewpoint of the President."

Conclusions and comments on the replacement problem were presented by the special committee on that subject headed by F. L. Jones, vice-president Equitable of New York. It was stated legal reserve life companies again are

meeting the periodic criticism that there is an absorption of legal reserve in the death claim payments and that a legal reserve policy may be dropped and a new one taken in replacement, with financial advancement to policyholders. Both of these arguments are involved in replacement recommendations, it was said. They come from critics largely in other lines of activity than life insurance and "from the type of professor or of writer who invades a field in which he is not fully informed."

The committee stated it had obtained statements from the best informed men on the two subjects and therefore the report would be useful to managers, general agents and agents called on to answer questions and give computations which in more normal times are not required.

"It is hoped and believed," the committee said, "that we shall not need to use these arguments for more than two months, because the public grows in appreciation of the principles of legal

reserve life insurance when they are understood and when business and social conditions are more nearly normal."

Economic Situation and New Problems Discussed

The present economic situation presents the life insurance institution with some new problems, particularly in the investment field, but these are not insoluble, Vice-President C. L. Benner of the Continental American Life stated in a fine talk on "Present Economic Situation and Its Relation to Life Insurance" at the joint gathering of the Sales Research Bureau and Life Agency officers in Chicago this week. He expressed conviction the companies will continue to find outlets for their funds and earn a rate of return on them that will enable them to meet all contract obligations and push growth of business vigorously.

A few minor changes need to be made in budgets, dividend formulae and interest options to help tide over the temporary period of low interest return, he said.

This Is First Recovery Year

Historians will record 1936 as the year actually out of the business depression, he said. It cannot be disguised that interest rates are low and even though they should turn up again it will be a good many years before net rate earned on assets will approximate that of past 20 years. This will present some new management problems because expenditures geared up to excess interest margins for the past 20 years will have to be cut down drastically.

There will not be for two decades, he said, excess interest margins of from 2 per cent to 3 percent, but companies will be fortunate if on the average they are as high as 1 percent for the next 10 years, and for the next two or three years the margin will not be that much.

Life company executives will be closing their eyes to what should be an obvious fact if they do not give proper consideration to the low interest factor right now while they are formulating their agency plans, dividend formulae and option settlement and annuity contracts for the years immediately ahead. The net rate of interest earned this year will be nearly 2 percent less than that during the 20's which is the same as reducing the income of companies on the average over \$4 per \$1,000 insurance in force, which can be made up only by cutting dividends to policyholders, increase in rates or reducing expenses.

Need Dividend Adjustment

Mr. Benner expressed conviction the dividend formulae for this year should be promptly adjusted to meet the lower interest factor. It would be a mistake for any company to starve its agency department in order to maintain dividends a few cents higher per \$1,000.

The most crushing problem low interest rate has created had to do with use of the settlement options, of which options 1 and 2 amount to demand deposits at a guaranteed rate of 3 percent or 3½ percent. The amount of such deposits is increasing, being 17.6 percent of policy proceeds in 1933, 21 percent in 1934 and 25.8 percent in 1935, or nearly 50 percent increase in three years. Mr. Benner said he was opposed to guaranteeing a minimum rate of interest under any circumstances on funds subject to withdrawal but felt only the rate earned on them should be paid. To guarantee a high rate when only a low rate may be earned is to invite future trouble; such payments must come out of other margins in the business, which is inequitable and robs premium-paying policyholders to give something to beneficiaries that does not belong to them.

* * *

The new Research Bureau directors replace six others whose three-year terms expire in 1936. The retiring members are: George H. Hunt, Imperial Life of Toronto; A. L. Dern, Lincoln National; W. W. Jaeger, Bankers of Iowa; J. W.

Simpson, Sun of Canada; F. B. Wilder, Connecticut General, and the late F. H. Davis, Penn Mutual. The newly elected members are: Stephen Ireland, State Mutual; Richard Boissard, National Guardian; R. E. Irish, Union Mutual; W. W. Klingman, Equitable of New York; S. C. McEvenue, Canada Life; E. H. McKinney, Equitable of Canada.

Fact Finding Now Deemed Valuable Bureau Function

(CONTINUED FROM PAGE 12)

in the steel industry and emphasizing points which he made.

Vice-president C. L. Benner of the Continental American Tuesday afternoon said agency departments must trim their budgets to meet present conditions. There is no way to meet the prospect of low interest rates for some years to come other than this, he said, save by cutting dividends or raising premiums. Mr. Benner discussed the present economic situation in relation to life insurance.

Eugene C. Kelly, Jr., field supervisor Home of New York, gave a fine illustrated talk on how to present the persistency rating chart to managers.

One of the most valuable contributions was the talk on "Compensation—Today and Tomorrow," by W. S. Penny, recently appointed director of agencies of the Sun Life of Canada. He presented advantages and disadvantages of the present commission arrangement, and offered a plan involving a salary plus commission—new and renewal, frankly discussing disadvantages. First is the difficulty of determining the whole basis of remuneration, he said; how much salary should be paid, and how much commission; whether the salary should be fixed or should increase with results. Another question is whether the salary should be permanent or should disappear gradually as the agent becomes more successful.

Questions on Commission Plan

Other questions were whether a plan of supervision and control could be developed which would enable the company to avoid wide variations in ratio of agents' remuneration to new premium income; whether it will be possible to eliminate this hazard or disregard it in consideration of branch office costs. The disadvantages, he said, seem to consist mainly of a larger exposure to increased cost of operation, and against this is the offset of considerable losses through financing agents now being suffered by companies.

Advantages of the plan are that it will undoubtedly result in more careful selection of agents, as at present with the agent receiving only in proportion as he produces, companies may be less careful in selecting agents. A better quality of business might be expected. Much lapse is due to agents moving from one company to another, rewriting as they go.

Would Eliminate Unsuccessful

There would be more rapid elimination of the unsuccessful agents, he said, resulting in a smaller, more compact group yielding higher total results. Elimination of waste in agency work due to closer control of movement and actions of agents and more practical direction of their efforts would result.

One step in adopting such a plan would be to make sure that it would definitely limit exposure to financial loss. He suggested installing it on an experimental basis in a branch or small group of branches in a section that could be closely observed, and preferably this should be done through creating new branches so as not to disturb existing agency force. A typical city setup, combined city and country environment and typical rural branch were suggested as testing grounds.

Managers to conduct the tests prob-

CATCHING THE TIDE

As the captain and the crew of the old clipper ships made ready and cast off at the turn of the tide, that they might be in mid-stream to catch the full ebb tide, so is the Great Southern outbound on the crest of Recovery. Well trained and staunchly "bottomed" through definite and continuous training, and well equipped with sea-worthy coverage in both participating and non-participating life insurance contracts, her Representatives face the prospect world with eager enthusiasm.

Advancing with the Great Southwest, the Great Southern Life is forging steadily onward. For the first half of 1936 her representatives delivered and paid for 17% more Protection than during the first half of 1935.

Our non-forfeitable renewal agent's contract offers enviable opportunities.

GREAT SOUTHERN LIFE INSURANCE COMPANY

E. P. Greenwood, President

HOME OFFICE: HOUSTON, TEXAS

F. B. Williams, who should be interested in research, capable of considerable detail work. As weaknesses in the plan develop in operation, he said, they should be corrected. If training, sales talks, etc., were found ineffective they should be revised. From such an experiment a solution probably could be found that could then be applied to the whole agency organization.

One company, he said, already has gone far in this direction and reversed the downward trend of production experienced by most companies. Several other companies have done experimental work in this field. Probably one of the most difficult problems encountered would be opposition due to tradition and usage.

PUT PRINCIPLE FIRST

Following the address of Richard Boissard, vice-president National Guardian Life, the second morning, with W. W. Jaeger, vice-president Bankers Life of Iowa and chairman of the bureau's executive committee, in the chair, C. D. Devlin, general superintendent of agencies Confederation Life of Canada, and D. Gordon Hunter, vice-president and agency manager Phoenix Mutual, discussed the same subject, "Some Current Agency Management Problems; How We Are Meeting Them—Some Successfully—Some Unsuccessfully."

A cardinal principle in company management, Mr. Devlin said, is to place principle ahead of practices. This often obviates the rising of problems. Solution of agency problems rests largely in choice of manager, since his character is reflected throughout his entire organization. He should be high grade, conscientious, successful, and, above all, a leader. Such a manager, with excellent club, church and social contacts sets up a high standard of qualification for men he recruits, who thus seek business from persons of like economic and social standing, and if properly trained probably will select a class of business that will renew well.

Inferior Manager Harmful

An inferior type of manager, complaining about switching or replacing policies and pirating business, soon by precept and example, Mr. Devlin said, will teach his agents to do likewise, with consequent underwriting and conservation problems.

Mr. Devlin discussed his company's methods of selecting and training managers, who are developed from district managers and special representatives who operate directly from the head office and largely in Ontario. The company strongly favors a substantial period of apprenticeship in life insurance selling.

Regarding agents, Mr. Devlin said, the policy is to develop new material and not secure agents from other companies. Recruiting is a continuous process. Mr. Devlin said spasmodic recruiting tends to bring in men who have not given the matter due consideration and therefore are not prepared to work enthusiastically.

Gives Figures on Financing

Mr. Devlin reported that 53 percent of club members last year required no financing; 21 percent were financed during the entire year; 14 percent were financed for only three months; 5 percent financed from four to six months, and 7 percent from six to 12 months. He said 95 percent of club members produced business within their first three months with the company, 4 percent within six months, and the remaining 1 percent within six to 12 months.

Mr. Hunter, taking as his subject "1936 Agency Problems," related that many great industries of the country have been experiencing prosperity and broken sales records this year, but life insurance went into the depression later than other lines and appears to be behind them in coming out. Of greater importance than the 5 percent

drop in ordinary sales this year is the fact the business is going off the books faster than it should.

Life insurance, he said, is the biggest business of all, it affects the happiness of more people than any other; it now has the largest sales force of any business, conservatively estimated at 185,000; yet it has what appears to be one of the lowest average earnings per salesman of all; one of the heaviest turnovers—40 percent on a very conservative basis, and appears to be involved in more problems than any other. In this year some 74,000 men will leave the business and slightly less than that number will be enrolled in it.

"We must face the fact," Mr. Hunter said, "that those 74,000 men represent a large body of dependents; probably in excess of a quarter of a million souls; wives and children whose standard of living has been lowered, the chance of higher education for the youngsters lessened, and the good things of life farther away than when they started; all as a result of this life insurance experience. It is also true that the majority of the 74,000 failures who will go out of the business this year are disheartened, broken in spirit, and disillusioned. Many of them will feel that the glowing picture which was painted to induce them to come into the business was at least exaggerated. These facts we cannot ignore."

Termed a Terrific Problem

He said this is a terrific problem; it has been with company executives and agency men for years. Considering the public character of life insurance, the problem must be solved or officials must stand ready to face the even more serious conditions that will arise.

"This gives food for thought and grounds for agitation in an institution which otherwise has a marvelous record of business conduct," he said.

He reviewed the efforts of the Phoenix Mutual to solve the problem. It was found that 22.6 percent of the force, producing 4.7 percent of business, had been with the company a year or more and in the previous 12 months had earned \$750 or less first year commission. In many agencies, he said, these men caused the manager at least 50 percent of the grief.

It was realized these must be eliminated, not by ruthless firing of old-timers, but by recognizing a situation not to be temporized with. In no other industry would a similar proportion of failures be tolerated, he said. They were costly, probably running \$500 per man per year to maintain and in most cases nearer \$1,000. The Phoenix Mutual transferred some years ago from a mixed full- and part-time force to an exclusively full-time organization. The managers are thoroughly trained and developed within the ranks.

SUPERVISION PROBLEMS

Questions of supervision were taken up by a number of officials, including Joseph C. Behan, vice-president Massachusetts Mutual, vice-chairman of the Agency Officers; B. N. Woodson, Jr., executive assistant Mutual Trust Life, and Malcolm L. Williams, assistant manager of agencies Provident Mutual. Mr. Behan spoke on "Supervision of Agencies by the Home Office—Information Necessary for Supervision."

Mr. Woodson discussed "Home Office Supervision of Agencies," stressing that his company defined the fundamental purpose of supervision as to build agencies, rather than to "buy business." There are three foundation points: To build morale, to guide, suggesting ways and means and giving the benefit of experience, and to assist, giving actual field assistance in various phases of the job, such as recruiting, supervision, etc.

The essence of the plan is in preparation of written plans for building the agencies. Each year the Mutual Trust starts with three complete sets of plans, one for the entire agency department, one for each of the agency

divisions, and one for each agency. Divisional plans are prepared in greater detail than the general company plan, as to how increases will be brought about, where agencies are to be opened, how to stimulate recruiting in existing agencies, how and when increased man power is to be effected, and many other specific items. The plans for the individual agencies are even more specific, being prepared in December.

Mr. Williams had prepared for drafting his paper by sending a letter to 100 general agents, 66 of his company and the remainder close friends in other companies, asking how the agency department best could serve, what the agents wanted done that was not being done, what they wanted done differently. He set forth his conclusions derived from digesting the replies. Home offices should be thoroughly acquainted with general agents' operations and ready to give help when it is needed, not when the field man is on the verge

of ruin. Agency visits should be planned, with advance notice to the general agent. Enough time should be taken to do a thorough job. The visit is not the end, he said, but the means of doing a real job.

Agency department men must have sales and management ability to have the respect of the field. Specialization in the agency departments makes it necessary for general agents to correspond with a number of officials, and frequently they come to think that none is familiar with the whole setup. The letters, he said, seem to evidence a swing of the pendulum from the supervisory plan, under which several members of the department deal with each agency, to the geographical zone plan and back again.

"These letters," he said, "indicate to me that in laying the groundwork for effective supervision of agencies by the agency department, careful, objective study of agencies is a basic factor."



Reach for the Heart

of your prospect by the simple appeal of your presentation.

Give him reason to feel that your call is one of friendly interest in his welfare—that he has something to gain by following your recommendations.

Costs look little when benefits look BIG.



The Prudential
Insurance Company of America
EDWARD D. DUFFIELD, President
Home Office - Newark, New Jersey

EDITORIAL COMMENT

Still Security-Conscious

WHETHER they greeted the national election results with shudders or hosannas, life insurance men might as well appraise the new outlook in as optimistic a light as they can. Chief among the encouraging signs is the fact that such an overwhelming majority of citizens so strongly endorsed the principle of social security.

This frame of mind on the part of so large a proportion of the voters should be auspicious for the life insurance business. One difficulty in selling life insurance is that the time when the public appreciates its virtues the most is usually the bottom of a period of depression when the people have little money to buy life insurance or anything else. When prosperity comes back they forget the fine tributes they paid to life insurance and use their surplus cash for the more material luxuries for which they have yearned during the hard times they have just been through.

The recent election shows that the

great mass of people have not swerved from their concern over what will happen to them during periods of unemployment and after they are too old to work. They have persisted in this concern in spite of a considerable degree of returning prosperity.

Much was said about the "American way" before the election. Despite its many desirable characteristics, the American way apparently included a happy-go-lucky attitude toward the future. Statistics showing the extremely small percentage of old men who are not dependent on relatives or charity for support indicate that this grasshopper attitude toward old age was far from justified. If the public can keep its mind on the seriousness of old age and unemployment problems and not be lured by prosperity back to its habit of letting tomorrow take care of itself, the outlook for sale of life insurance should be tremendously brightened during the succeeding months.

Educating the Beneficiaries

In taking part in the annual convention of the NEW YORK STATE FEDERATION OF WOMEN'S CLUBS this week, the LEAGUE OF INSURANCE WOMEN has made an important and impressive advance in the difficult problem of spreading a more accurate understanding of insurance among those to whom such understanding is of vital importance.

The women's club federations, both state and national, have long been cool toward having insurance explained to them at their meetings, fearing that there might be some commercial angle involved. The NEW YORK federation, convinced that there is a lot more to life insurance than merely the commercial side, has now welcomed the LEAGUE OF INSURANCE WOMEN, who are

putting an hour's program this week on one of the principal days of the federation's convention.

The LEAGUE OF INSURANCE WOMEN has taken over a valuable and useful function. In addition to being agents, its members have made it a point to advise women beneficiaries about handling their proceeds. The league's appearance before so representative and influential a body of women as the NEW YORK federation should be extremely valuable in getting women generally to recognize the importance not only of having adequate life insurance but of seeing that it is properly drawn up and given all the benefits and privileges which are the unique characteristics of life insurance as property.

Stressing Too Much the Sideshows

LIFE insurance companies to their sorrow have found that they are thrown out of line and their experience is considerably distorted when what might be called frills are added to the straight life insurance contract that enable the agents to emphasize too greatly these furbelows rather than the chief protection. For instance, this was true with regard to total and permanent disability. That was a comparatively new feature in a life contract and agents sold insurance too much for the disability feature rather than insurance. Then came single premium annuities. The annuity contract primarily is one to provide a steady and sure income during old age, retire-

ment, etc. Instead agents sold it as a good form of investment. The returns were greatly emphasized. This piled up huge funds at home offices to invest. In fact, where there could be a turn to investment forms this was taken advantage of. Even the double indemnity provision is stressed too greatly as one of the fundamental provisions of the contract when it is really a side issue.

Gradually the settlement options feature has been enlarged until now companies are obliged to sustain considerable extra expense on account of complicated cases. Frequently a policyholder desires an insuring clause that involves legal complications,

trust company service, etc., for which the life company does not get a single cent of pay.

At the joint meeting of the AMERICAN INSTITUTE OF ACTUARIES and ACTUARIAL SOCIETY OF AMERICA, R. C. McCANKIE, EQUITABLE LIFE OF IOWA, who is president of the Institute, pointed out the danger of over-stressing this sort of sideshows to the big tent of life insurance, so to speak. In all cases of this nature ultimately the life companies found themselves involved in extra outlay which to some extent has not only wiped out the profit of the sideshow itself but has eaten into the exchequer of the big tent. Where agents are allowed to drift away from the primary purpose of life insurance and stress these additional provisions a company eventually finds it-

self in a position that is unsatisfactory.

Perhaps at this moment more attention is being given to complicated settlement options than any other feature of the contract and it would not be surprising to see changes made whereby this provision is more standardized. A company has taken on additional responsibilities and expense without charging a cent. All these so-called additional features have great value. If they could have been carried along and paid for themselves and not made too prominent they would undoubtedly have inured to the benefit of the primary purposes of life insurance. However, strongly emphasized and over-stressed they have brought extra expense and outlay and have really militated against the real purpose of life insurance.

PERSONAL SIDE OF BUSINESS

U. H. Brockway, manager of the Hartford branch office of the Travelers, was a guest at a dinner to celebrate his 25 years with the company.

A. M. Meyers, 70, with the Northwestern Life in Evansville, Ind., for 30 years, died at a hospital there.

Herbert W. Rhodes, 65, died in Montclair, N. J., after a brief illness. Mr. Rhodes, who was a brother of Edward E. Rhodes, vice-president of the Mutual Benefit Life, had been with the home office of that company since he was 18 and for 15 years had been assistant mathematician.

Thomas P. Davis, purchasing agent of the Travelers for the past 13 years and an employee of the company for over 30 years, died at the Hartford Hospital after several months' illness.

Edmund Zacher, son of President L. E. Zacher of the Travelers, has left this past week for an eighteen months' cruise in the south seas. He went along as photographer on the 92-foot schooner "Yankee."

An interesting hobby of J. Doyle DeWitt, assistant manager of the life and accident claim department of the Travelers, came to light in the recent political campaign. Mr. DeWitt has gathered over 1,000 badges, buttons, banners, plates, mugs and various other articles used in the past century of political battles.

Walter E. Mallory, agency secretary of the Travelers, has been elected vice-president of the Hartford Club, to which many of the insurance executives there belong and where most visiting insurance men are entertained.

Attorney Thomas Watters, Jr., of Des Moines, who also is a member of a legal firm in the Shoreham building at Washington, D. C., and furthermore is head of the social security information division of the National Board of Fire Underwriters and the Association of Casualty & Surety Executives with office at 85 John street, New York, finds that it is too exhausting to operate three different offices. Hence he is forsaking Des Moines as a residing place and will

hereafter have his chief headquarters at Washington. He will commute between Washington, D. C., and New York City. Attorney Watters has long been a prominent figure in insurance legal and departmental work in Des Moines and has a wide acquaintance.

Adam Rosenthal of the Morton & Morton Agency of the Connecticut Mutual Life in St. Louis won a contest staged by the agency by paying for \$101,670 of new business on 15 cases between Sept. 14 and Oct. 31.

Dinwiddie Lampton, president of the American Life & Accident of Louisville, who has been in Battle Creek, Mich., for a couple of weeks following a nervous breakdown, is now back at his office and on the road to recovery, but will spend only an hour or two a day at his desk for some little time to come. In the meantime his son, Dinwiddie Lampton, Jr., vice-president, who is only 22 years old, has been taking hold in good shape and the company is having a fine year.

Insurance Director Ernest Palmer of Illinois is taking a few days off, stopping at the Post Tavern at Battle Creek, Mich., for a rest. He is accompanying Gov. Henry Horner of Illinois, who is recuperating from an arduous political campaign. Both are close personal friends.

The Democratic landslide which engulfed the nation also swept with it, at least temporarily, the United States senatorial hopes of W. M. Brucker, former governor and counsel of the American Life, Detroit. Mr. Brucker was beaten by a substantial margin by the Democratic nominee.

The death of Thomas J. Tyne, vice-president and general counsel of the National Life & Accident of Nashville, breaks up a group of five men that have carried on a rather unique way. In 1902 in connection with C. A. Craig, now chairman of the board; W. R. Wills, now president; C. R. Clement, executive vice-president, and Dr. R. E. Fort, vice-president and medical director, he helped organize the old National Sick & Accident, which was reorganized into the present company. For 35 years these



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men who were senior officers worked shoulder to shoulder. The company had planned a great celebration in honor of its five founders early in February, when over 800 field men from all parts of the country were to assemble to do homage to them. It is rather remarkable that five officials served during the 35 years and kept active in the business.

Mr. Tyne was a warm personal friend of Cordell Hull, Secretary of State, with whom he served in the Tennessee legislature 43 years ago. Undoubtedly Mr. Tyne was greatly affected by the death of his eldest son, Thomas J. Tyne, Jr., assistant general counsel, last February, he having been stricken with pneumonia.

Mr. Tyne's first law partner was P. M. Estes, now vice-president and general counsel of the Life & Casualty of Nashville.

The funeral was held in the Catholic Cathedral of Incarnation with Bishop Adrian celebrating the mass.

B. P. Rouse, Los Angeles general agent Mutual Benefit Life, was the guest of honor at a surprise party given by the members of his agency in recognition of his 40th anniversary of continuous service with the company. The field force presented over \$250,000 in new business which had been written the previous two weeks as a token of appreciation. Mr. Rouse also received many congratulatory letters and telegrams from old friends and business associates.

E. C. Budlong of the Federal Life, Chicago, and Mrs. Budlong are spending several weeks vacationing in California. They are visiting San Francisco and Los Angeles. One of their sons, T. W. Budlong, is with the Commercial Casualty in San Francisco.

J. E. Reault, who resigned as second deputy commissioner in Michigan to go with the Maccabees, Detroit fraternal, was guest of honor at a dinner given by

departmental and company friends in Lansing. Commissioner Ketchum presided and about 50 present and former department executives and employees, company officials and invited guests attended. Mr. Reault was presented a handsome traveling bag and a desk smoking set. Speakers, in addition to the commissioner and the honor guest, included Deputy Commissioner H. B. Correll; R. M. Wade, whom Mr. Reault succeeded as deputy commissioner and who is now controller of the Michigan Mutual Liability, and C. L. Biggs, supreme record-keeper of the Maccabees. Others attending included; L. K. Power, formerly with the department examining force but now with the National Casualty in Detroit; Jay C. Ketchum, also a former department examiner, now with the Great Lakes Casualty, Detroit; Floyd Lundquist, Western Adjustment, Detroit, and John Little, accuracy of the Maccabees, all accompanied by their wives. Mrs. Lundquist is a former department employee.

The state of Oregon is launching a radio program, "Oregon on Parade," on Station KOIN. The program was arranged by Commissioner Earle to sell Oregon and Oregon's available land. Mr. Earle will be the first speaker in the series.

Judge **J. F. Dickmann** of the court of criminal correction, St. Louis, who dropped dead there, at one time was president of the First National Life and later of the Mississippi Valley Life.

A. B. C. Ohlson, secretary of the Beneficial Life for the past 23 years, died at his home in Salt Lake City. He had been in poor health for some time. He was born in Sweden in 1880 and came to the United States in 1906. He was active in musical circles and at the time of his death was director of a well-known male chorus.

Mexico and Yale Law School, who had for a number of years served as director and general counsel for the Occidental, was elected president, he being a son-in-law of Mr. McMillan. President Lee took active charge in January, 1928, because of the decision of Mr. Roslington to retire from active business and live in the west.

Mr. Roslington had been sent east to scout the country and see where a desirable home office location seemed most attractive. Inasmuch as he found no company of prominence at Raleigh he recommended that city. It was decided on account of the cost of putting business on the books and developing it in sparsely settled areas it would be wise to move into a more thickly populated area. It was necessary for President Lee to move therefore to Raleigh. The Occidental reinsured the business of the Colonial Life of High Point, N. C., and in August, 1934, it purchased the controlling interest of the Peninsular Life at Jacksonville, Mr. Lee being elected president of the latter company.

President Lee has made a good impression on the business. He is a man of culture, fine business training and is taking an active interest in life insurance administrative work.

Increases for Old Line

An increase in admitted assets to \$19,286,873 by the Old Line Life of America, Milwaukee, was reported by John E. Reilly, president, at the quar-

terly meeting. Gross income for the first nine months was \$2,475,610, an increase. More than \$1,000,000 was paid to policyholders and beneficiaries from Jan. 1 to Sept. 30, 1936. New securities purchased the first nine months amounted to over \$2,750,000, and included first mortgages, municipal and public utility bonds. New paid life insurance showed a gain of 40 percent. Life insurance in force increased to a total of \$74,551,209. New accident and health insurance increased 50 percent.

Examine American of Detroit

Surplus to Policyholders \$659,433 After Write-Off of \$40,000—Recommendations Are Outlined

LANSING, MICH., Nov. 12.—While policyholder interests are shown to be amply protected, examiners representing four states found it necessary to revise the surplus showing of the American Life of Detroit in a report just filed with the Michigan department. The net write-off in surplus amounts to \$340,566 from the figures shown in the company's report for 1935 operations but a surplus to policyholders of \$659,433 remains, including the \$500,000 capital stock.

A more conservative investment policy in the future is advised in the report, although the good earnings record of the company is cited and it is noted that economies have been effected and offi-

NEWS OF THE COMPANIES

Story of the Company Told

Some of the Interesting Points in the Career of the Occidental Life of Raleigh

The Occidental Life of Raleigh, N. C., has put out a booklet giving the story of the company on its 20th anniversary.



LAURENCE F. LEE

It started at Albuquerque, N. M., the idea being conceived by J. H. O'Reilly, who brought together some men, who later were joined by leading business and ranch men. It started with \$100,000 capital and \$10,000 surplus. It was incorporated under the laws of Nevada

because the New Mexico law at that time did not provide for the establishment of a life company.

A. B. McMillan of the original group finally trusted the controlling stock and later got control. He was the dean of the New Mexico bar and then two weeks after he arrived in New Mexico he became counsel of the First National Bank of Albuquerque. He performed a monumental service to the state and people by clearing titles of many old Spanish land grants in developing these lands. J. S. Reynolds, a pioneer banker, who was elected the first president, founded the First National Banks of Las Vegas, Albuquerque and El Paso. The first general agent's contract was issued to Henry T. Bowie of El Paso and is still in full force.

Roslington Enters the Picture

In 1908 George Roslington, an actuary, went to New Mexico in the Carriazo gold rush. There he met George Ulrich, a cattle man and banker, who was a stockholder of the Occidental Life. He took Mr. Roslington to Albuquerque where he was engaged by the company for technical advice. Mr. Roslington found the company in need of readjustment and the financial foundation was relaid. In January, 1912, Mr. Roslington was elected secretary and general manager.

L. F. Lee Becomes President

Mr. Reynolds retired as president in 1911 and M. W. Flourney, who became president of the First National Bank of Albuquerque, succeeded him. Mr. Flourney died in August, 1915, and Mr. McMillan was chosen president. Mr. McMillan and Mr. Roslington continued as the active officers until shortly before the former's death in 1927. On March 23 of that year, Laurence F. Lee, a graduate of the University of New

★ MODERN LIFE INSURANCE SINCE 1845 ★



STATISTIC

A figure sleuth has discovered that the average length of service of Mutual Benefit men (excluding new men) who attended the 1936 Agents' Convention was something over thirteen years. An analysis of the "composite man" of this group shows that he began his service shortly after the post war depression, made "good money" during the boom, had to scratch like the dickens for his commissions during the Great Depression, and, still working hard, is getting better results for his efforts in 1936. His thirteen-year service record is at once a tribute to his ability and industry and to the Company with which he is associated.

The
MUTUAL BENEFIT

LIFE INSURANCE COMPANY • NEWARK • N. J. •



General Agency Openings

with

A GREAT COMPANY

GROWING GREATER

A Company that has

*A Liberal Contract

(Both First Year and Renewal Commissions)

*An Attractive Line of Policies

(designed to fit every need)

*A Unique Sales Program

Practical assistance and co-operation in the field

Enjoy the advantages of

**COMMONWEALTH CORDIAL
CO-OPERATION
IT WORKS**

Write

J. Herbert Snyder,
Agency Vice-President.

**COMMONWEALTH
LIFE INSURANCE CO.
LOUISVILLE, KY.**

cers of the company have co-operated in retrenchments made necessary by the depression by accepting drastic salary reductions. The report is signed by Walter O'Connell, actuary of the Michigan department, and by examiners of Indiana, Iowa, and Pennsylvania.

Recommendations Made

The chief recommendations of the examiners relative to future conduct of the company are given in the report as follows:

"It is evident from this examination that the company's experience in lending large sums to individuals on subdivisions, apartments, and farm lands has not been satisfactory or gratifying and the policy of the insurance company should be more conservative.

"Attention is also called to the fact that mortgage loans have been made to wives of two of the company's directors. There is a possibility that this may be in contravention to statute.

"The condition of the land contract covering the old home office building is such that it is the opinion of our examiners that the company should immediately take steps to further protect its interest. If a payment cannot be made in reduction of the principal, additional security should be procured forthwith.

"It is recommended that when the company is considering loans that appraisals other than those made by officers of the company be procured."

Guaranty Union Life Has New Home Office Building

The Guaranty Union Life of Beverly Hills, Cal., will shortly dedicate its new home office building at 107 North San Vicente boulevard. A. L. Rose is president. The new building was planned by C. R. Johnson, head of the department of architecture of the University of Southern California. It has a total floor space of 11,500 square feet. The legal, underwriting and medical departments will be on the ground floor. The main floor area for office employees will be bank floor height, allowing for maximum light and air circulation. Some of the departments will be sound proof. On the second floor will be the executive offices. The third floor will be for the agency organization, an amphitheatre and directors' room.

Head Two Organizations

L. M. Gehrig, president, and L. A. Gehrig, secretary Northwestern Mutual Benefit, Rock Island, Ill., have been elected to similar offices in the United Fellowship Benefit, Mason City, Ill., and the home office of the United has been moved to Rock Island. The United Fellowship was organized in 1924. The combined membership of the two associations is over 5,000.

Independence to Expand

The Independence Insurance Company of Louisville, organized a couple of years ago to write newspaper accident and health and also life insurance, is having quite a successful experience. It has already written so far this year some \$250,000 in premiums. Last year it wrote accident premiums of \$192,913 and life premiums of \$93,776. Its business has been confined to the "Courier Journal" and Louisville "Times" and it is now considering entering the regular agency field. William P. Tate is president and actuary. The "Courier Journal" and "Times" newspaper life business was formerly carried in the Federal Union Life of Cincinnati and other companies, but the papers decided to organize their own company for this purpose.

Would Take Over Savings Fund

The Indiana department has filed proceedings in Anderson, Ind., asking that the Savings Fund Life be turned over to the department for liquidation,

alleging that the company is insolvent. It was organized under the mutual legal reserve law of Indiana in 1930. It reported \$29,585 of assets Dec. 31, 1935, and has \$18,000 on deposit with the insurance department. Some industrial insurance is on the company's books and about \$2,000,000 of ordinary life. C. A. Pritchard is president; G. E. Applegate, vice-president; W. E. Thornburg, secretary, and S. J. Grossnickle, treasurer.

The court at Indianapolis has made a final order placing the Benjamin Harrison Life with the insurance department

for liquidation. Harold Montjoy, deputy commissioner, is liquidating deputy. Progress is reported as being made in the case of the Farmers & Merchants of Kokomo, Ind., which the department took over for liquidation several weeks ago. These are all assessment concerns.

Remodel Beneficial Life Building

The Beneficial Life building in Salt Lake City is being remodeled. The company will have enlarged and thoroughly modern quarters on the ground floor.

AMONG COMPANY MEN

McVoy Joins Pyramid Life

Former Central States President Now Vice-President and Agency Director of Kansas City Company

KANSAS CITY, Nov. 12.—James A. McVoy, for many years president of the Central States Life, St. Louis, has joined



JAMES A. McVOY

the Pyramid Life here as vice-president and director of agencies, succeeding George L. Grogan.

Mr. McVoy was with the Missouri department before he joined the Central States at its organization in 1911 as assistant secretary. He became secretary the same year, and after two years as vice-president and general manager, served as president for 15 years, until 1932. He headed the Liberty National Life at St. Louis for a time.

Mr. McVoy contemplates the development of the Pyramid agency plant, beginning first in Missouri.

Paul K. Adams Goes to Home Office of Equitable of Iowa

Paul K. Adams, Albany, N. Y., agency manager of the Equitable Life of Iowa, has been appointed assistant superintendent of agencies. He assumes his duties in the agency department immediately. In his new capacity he will maintain personal contact with the 72 general agents and agency managers of the company and assist in the management of the company's sales program.

Mr. Adams' appointment is in line with a program of agency development outlined by Stephen A. Swisher, Jr., who became superintendent of agencies last July. Mr. Adams' duties will closely parallel those of Ray E. Fuller, also assistant superintendent of agencies.

Mr. Adams became an agent in the Cleveland agency of the Equitable in April, 1927, and for six years continued in that capacity, developing into one of the strongest personal producers of business the company had in the field.

In 1933 he was appointed manager of the Albany agency. Since that appointment he has more than tripled the annual production totals of the agency and at the same time augmented the agency personnel.

Rathbone on Agency Trip

C. S. Rathbone, agency secretary Occidental Life of California, visited agencies in Kansas City on his way to Chicago to attend the meeting of the Association of Life Agency Officers and also address Life Advertisers' Association, where he spoke on "Effective Radio Advertising." He was accompanied on this trip by I. C. Cunningham, superintendent of agencies.

Doty Is Advanced

Ralph D. Doty, who joined the Lincoln Liberty Life of Nebraska in 1932, and who has been state supervisor of agents, has been named as superintendent of agents. He succeeds A. J. Gillette, who has joined the Connecticut Mutual Life at Long Beach, Cal.

AGENCY NEWS

Newark Agency Hears Talk on Life Insurance Trusts

NEWARK, Nov. 12.—G. S. Vronis, assistant trust officer New Jersey Title Guarantee & Trust Co., addressed the Journal Square agency of the John Hancock Mutual Life in Newark on "Life Insurance and Business Insurance Trusts."

"We often find a man doing business as the sole head of the concern who knows little or nothing about the advantages of a business insurance trust, particularly in a closed corporation," he said, "and who has given no thought to the very important matter of the future of his business."

"In such cases it is your privilege and duty to explain the benefits of the business insurance trust. It may be well to urge your prospect to confer with his attorney and his wife, daughters, sons or business associates."

C. C. Cook, manager of the agency, spoke briefly, urging cooperation between trust officers and life underwriters.

Providence Office Opening

Formal opening of new offices of the New York Life in Providence brought four outside managers and New England Supervisor F. B. Summers to Providence last week. R. H. Burton is manager there. Rhode Island agents were all present as well as Managers Don Stimpson, Worcester; Ernest Worthen, Springfield; George P. Smith and T. P. Johnson, Boston.

Taylor Named District Manager

Thomas L. Taylor has been named district manager at Dallas for the Northwestern National Life.

S. C. Hanson, Ohio State Life at Granville, O., has completed 29 years service with the company.

NEWS OF LIFE ASSOCIATIONS

Stabilized Dollar Is Urged

Dr. Huebner Says Social Security Provision Without Knowing Value of Currency Is Inconsistent

PHILADELPHIA, Nov. 12.—Dr. S. S. Huebner, president American College of Life Underwriters, at the opening lecture of the educational series sponsored by the Philadelphia Association of Life Underwriters, drew cheers when he asserted that the height of inconsistency was to parade social security before the nation "but at the same time give us no assurance of the value of the dollar in which the social insurance will be paid." Dr. Huebner believes in social security but he said that the people, through private initiative, should help to contribute to it. Dr. Huebner asserted that "we cannot have social security or any other kind of security until we have a secure dollar."

Opposes Further Change

A strong plea against any further change in the present base of the dollar was made by Dr. Huebner. Should a similar condition arise in the future it would be wiser to try anything rather than further devaluation. "It is far better to increase taxation than to lower the base of the dollar," he said. Devaluation offers a sound argument for more life insurance as the average man needs more insurance in order to make certain of filling the family market basket because of the cheapened dollar.

Dr. Huebner urged the return of life companies to the field of permanent and total disability. He termed this living death and an economic component of life insurance. He has contended that total and permanent disability belongs to the field of life insurance. With the lifting of economic clouds he hopes that the companies will soon find their way clear to reenter this field.

Dr. Huebner called for the application of the appraisal of life values on the same principle as the appraisal of property values. Life insurance should be based on the dollar value of a life and the capitalization of life values.

Nebraska Association Holds Sales Congress in Lincoln

LINCOLN, NEB., Nov. 12.—Several hundred life insurance men from all parts of the state are expected at the annual sales congress here tomorrow, sponsored by the Nebraska Life Underwriters Association. C. A. Wilson, National Fidelity president of the Lincoln association, will be temporary presiding officer, and will yield the gavel, after T. B. Strain, president of the Lincoln chamber of commerce, makes an address of welcome, to L. G. Waggener, Mutual Benefit Life, Grand Island, president of the state association.

Speakers include Will F. Noble, New England Mutual, Omaha, president Nebraska Life Agency Managers Association, on "What the Association Means to Agents;" L. E. Pennewell, agency director Columbus Mutual Life, Minneapolis, on "Field Methods" and "Seven Steps Up;" and Paul Speicher, managing editor of R. & R. Service, Indianapolis, on "Life Insurance in a Changing World." Ralph Theisen, Northwestern Mutual, Lincoln, will be in charge of a round table discussion of field men's problems.

St. Joseph, Mo.—W. T. Grant, president Business Men's Assurance, will speak Nov. 20.

F. C. Crowell, associate editor "Insurance Magazine," Kansas City, will speak.

Michigan Recognizes Women

Special Program Planned for State Association Meeting—Need for Unity Is Stressed

ANN ARBOR, MICH., Nov. 12.—A women's division program will be included in the plans for the annual convention of the Michigan State Association of Life Underwriters here next May, officers decided at a morning conference with State President Herbert Florer, Aetna, Grand Rapids, presiding. This will be the first time in the history of the state organization that the ladies have been given recognition as a group.

Mrs. Beatrice Hartness, New York Life, and Miss Mary Lichtenauer, Penn Mutual, both of Ann Arbor, will have charge of the women's division program. General plans for the program were made at the conference in which G. E. Lackey, Massachusetts Mutual, Detroit, regional vice-president for southeastern Michigan; H. B. Thompson, Detroit, secretary-treasurer; Caleb R. Smith, Massachusetts Mutual, Ann Arbor, general convention chairman, and officers of the Ann Arbor association participated.

Ann Arbor Group Meets

Following the conference, the state officers were guests and speakers at the regular monthly meeting of the Ann Arbor association. Mr. Lackey spoke on "General Dollars Versus Court House Dollars," outlining sales plans based on the cost of probating estates and the demonstration of the commercial value of settlement options.

President Florer talked briefly on the functions of the state organization, declaring that its principal purpose is to provide liaison between the local associations and the National association, the locals and the insurance department and the locals and legislative bodies.

Mr. Thompson made a plea for solidarity in the life insurance business, pointing out that no matter what political party is in power or who holds office in this state and this country, the companies will continue to write life insurance. He warned against becoming excited over proposed legislation and legislative action, asserting that the effect of such legislation that may seem adverse at the time is never nearly so bad as is anticipated. The social security program, for example, may well become a powerful educational factor for life insurance, he said.

Wright Is New York Speaker

Chicagoan Addresses Association There on "What It Takes to Do a Job"

With "What It Takes to Do a Job" as his subject, Harry T. Wright, associate agency manager Equitable Life of New York in Chicago and former chairman of the Million Dollar Round Table, addressed the New York City Life Underwriters Association. Mr. Wright's record in the life insurance field is well known and he has frequently been called upon to address various associations.

In his discussion he outlined the things men must do to produce business, as follows:

First, a man must have the right mental attitude toward himself, toward his clients, toward his superiors. Second, he must enjoy his work. Third, he must not only be honest financially but be financially responsible. Fourth, he must have an intense desire to succeed in his chosen field. Fifth, he must also have a real appreciation of the service he is rendering.

Describing his sales methods, Herster

Barres, Clifford L. McMillen agency, Northwestern Mutual Life, New York City, said he avoids having selling interviews in either the morning or afternoon. Except where the prospect or client insists upon it, Mr. Barres does his selling, by appointment only, only at luncheon or after ordinary working hours. Morning and afternoon hours are used for prospecting or service calls.

At Yale, Mr. Barres was one of the country's most outstanding football players. His interest in athletics is still keen and he makes most of his contacts through these channels. He deals mostly with young men recently graduated from the colleges and universities and strongly believes in getting a policyholder started on a program basis even if his salary is only sufficient to purchase a small clean-up policy at the start. In this he uses the audit of his own insurance.

Although he uses filing devices and other systems to keep his work on an efficient basis, he does not believe in the direct and forceful type of sales talk. He feels that the most effective way of putting across the life insurance message is in an easy, conversational manner, as the prospect is likely to become definitely less receptive the minute he feels that anything in the nature of a sales talk is being aimed at him.

Mr. Barres believes in using humor to a reasonable extent as a means of making himself distinctly remembered by his prospects and clients. For example, to a man who had told him to come

back the 15th of the month, he wrote: "Steady, boy, steady."

Leave not for Paris. Get your dough ready. Come Monday, come Barres."

Mr. Wright also addressed a meeting of the Edward A. Woods Company agency of the Equitable in Pittsburgh last week.

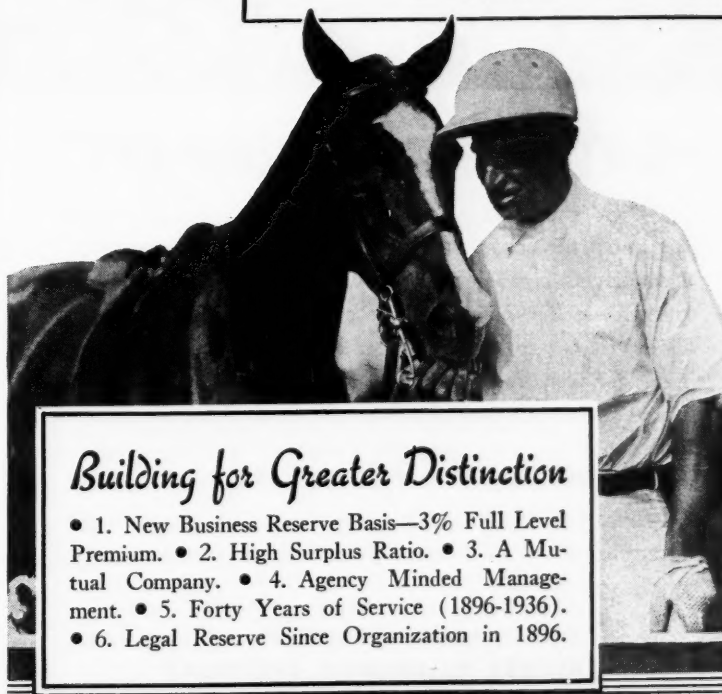
Lansing, Mich.—An analysis of the present state and federal tax setup as it affects estate and inheritances was given by Allan R. Black, counsel Central Trust Company, Lansing. He enumerated exemptions of life insurance bequests and other forms of inheritances as well as general estate exemptions and provided some advice relative to programming of insurance in such a way as to provide for maximum tax-free benefits.

Springfield, Mass.—Osborne Bethea, New York general agent Penn Mutual, said effective prospecting is responsible for about 60 percent of success in life underwriting, but the average agent devotes only about 20 percent of his time to this factor. Agents should develop a regular technique for classifying prospects according to their needs and ability to pay, he said. The association has gained 31 new members since its last meeting.

San Antonio, Tex.—President Matthew Brown spoke briefly on the improvement of business standards and said 48 companies operating in San Antonio and Bexar county have now pledged themselves to use only full-time representatives in this territory. He stressed the

Central Life Salutes FAMOUS MEN OF ACTION

On the stage . . . on the silver screen . . . and through the newspapers . . . Will Rogers, humorist and philosopher, helped to brighten the lives of millions of Americans . . . who revered and respected him as a friend and neighbor.



Building for Greater Distinction

- 1. New Business Reserve Basis—3% Full Level Premium.
- 2. High Surplus Ratio.
- 3. A Mutual Company.
- 4. Agency Minded Management.
- 5. Forty Years of Service (1896-1936).
- 6. Legal Reserve Since Organization in 1896.

CENTRAL LIFE

ASSURANCE SOCIETY

"Mutual"
Des Moines, Iowa

if you live in Ohio, Minnesota, Iowa or Wisconsin and —

if you want an agency contract with a strong, dependable mutual company which contract —

—is direct with the Home Office

—pays liberal first year commissions

—allows renewal commissions for as little as \$25,000 of business per year

—vests renewal commissions in you or your estate

—allows you to build your own agency

Then you will want to communicate with this progressive, growing mutual company.

For particulars, address

Guardian Life
Insurance Company

Paul F. Crane, Director
New Business Department
MADISON, WISCONSIN

PRACTICAL MANAGEMENT

"A FIELD MAN'S COMPANY"

That is what those who know say of the Central Life. Its executives are genuinely concerned in helping the Field Man solve his problems. There is ample precedent for this attitude—every official of the company has been "in the Field" as a personal producer or as a successful agency manager. Constructive suggestions are invited from the Field Force and the Company's Agency program is based on the firm conviction that the greatest progress is made when the agents make money.

If you are ambitious and industrious, we have the perfect "Team"—the genuine co-operative spirit—that will bring you success.

Communicate with

ALFRED MacARTHUR, PRESIDENT

CENTRAL LIFE
INSURANCE COMPANY OF ILLINOIS
720 NORTH MICHIGAN AVENUE · CHICAGO

thought that this is to promote better service to the buying public and urged the importance of the C. L. U. courses in preparing agents to meet their problems more intelligently.

The recorded sales talks by Jay L. Lee on "How to Control an Interview and Lead Your Prospect to a Close"; C. P. Dawson on "Profitable Prospecting," and Ralph Englesman on "Practical Ideas Useful in Closing Sales" were heard.

* * *

Corpus Christi, Tex.—New officers are: Paul Tally, president; L. R. Johnson, vice-president, and I. M. Alexander, secretary-treasurer. On the executive committee are Paul Tally, L. R. Johnson, I. M. Alexander, B. S. Burgess, William Read and Henry Coutret.

* * *

Des Moines—G. W. Sulley, National Cash Register Co., was the speaker Nov. 10. He discussed the preparation for the sale and the mechanics of selling, aided by a set of charts which proved interesting to the underwriters. "In all business," said Mr. Sulley, "we must make adjustments, extensions and improvements; for that reason research always pays. Know where your profits are and check up on your losses through research. The underwriter or the merchant can check up on expenses and control profit margins."

Mr. Sulley declares he would prefer to work as a salesman where there is the most careful supervision. Supervision he said inevitably means efficiency. "Modern salesmen should be 'stream-lined'; that is to say 'stream-lined' salesmanship is practical selling. Selling is not so much a matter of goods but of people. Facts are indispensable in successful selling. The man who knows the more facts about his business is usually the firm's leading salesman."

* * *

Peoria—The Peoria association had as guest speaker Henry M. Files of Cedar Rapids. He is one of the leading agents of the Northwestern Mutual Life of that city and spoke on the subject "Profitable Selling." Dr. J. H. Pearce, president of the association presided.

* * *

Columbia, S. C.—The first fall meeting will be held Nov. 13, with a ladies' night celebration and entertainment.

* * *

Little Rock, Ark.—The monthly meeting Friday will be devoted to a discussion of the technique of life underwriting with Foster A. Vineyard, supervisor Aetna Life, as leader. Others taking part in demonstrations are William Lolley, Metropolitan Life; Stanley Falk, Mutual Life; Wilson Clapham, Fidelity Mutual; Thomas Keller, Jefferson Standard; Drew Agar, Travelers; Percy Scholem, Aetna Life, and Percy Richardson, New York Life.

* * *

Northern New Jersey—There are two types of life underwriters, one that hopes to get business and the other who knows how to get it, Arthur V. Youngman of the De Long agency of the Mutual Benefit Life in New York City and chairman of the executive committee of the New York Life Underwriters Association, said at a meeting in Newark in a talk on "Quota Busting Formula." He gave a number of interesting selling points. In prospecting try telephone appointments, he said, get more information about prospects, have a luncheon date every day, use direct mail, have organized sales talks and get new prospects.

The next meeting will be in Newark Dec. 3. Alexander E. Patterson, president of the National Association of Life Underwriters, will talk.

* * *

Detroit—The plan of simultaneous round-table discussions of various underwriting problems, with the members free to join any discussion they choose, inaugurated at the meeting last month, will be followed again at the Nov. 17 meeting.

G. L. Finefield, Travelers, will lead the discussion on "Creating Interest"; D. R. Hoover, Columbus Mutual, on "Prospecting"; W. H. Nicholls, Jr., Ryan agency, Penn Mutual, on "Minimum Income"; C. E. Purdy, Jr., Canada Life, on "Motivation"; Glenn M. Reem, Guardian Life, on "Estate Planning" and E. B. Brink, United Benefit Life, on "The Small Buyer."

* * *

Jackson, Miss.—Commissioner Williams of Mississippi told "Why the life insurance business of Mississippi should be on a professional basis." Ralph Hester, manager Atlantic Life, discussed "Pro-

fessional Development along the Line of Chartered Life Underwriters' Work." J. L. Denson, Jefferson Standard Life, discussed "Some Methods of Attaining Professional Standing."

* * *

Oklahoma City—At the second meeting of the season three local speakers will occupy about 10 minutes each, in lieu of one main address as in former years. The speakers will be T. B. Reed, Great Southern; Harold McGinley, Mutual Benefit, and C. E. Petty, Bankers Life.

* * *

St. Louis—With more than 300 in attendance, a sales seminar is being conducted by C. P. Dawson, production manager of the W. H. Beers agency of the New England Mutual Life in New York City. The seminar opened Nov. 9 and continues through Nov. 13.

* * *

Fort Dodge, Ia.—Wives of members were entertained at a dinner. An entertainment program and bridge followed.

* * *

Kansas—Dates for the annual sales congress have been tentatively set for May 6-7 at Topeka by the executive committee, which met in Topeka on call of President Riley G. Cunningham of Wichita, manager Metropolitan Life. Vice-president Lyman E. King, Topeka, general agent New England Mutual, has been named general chairman of congress.

* * *

Wichita, Kan.—Programs for coming meetings have been announced by Elmer Moore, New York Life: Nov. 14, "What the Institution of Life Insurance Has Meant to Me Personally," Dr. J. D. Clark, Wichita; Nov. 28, "Discussion of Modes of Settlements," by Harry W. Stanley, Wichita general agent, Equitable of Iowa; Dec. 12, "Life Insurance and the Probate Court," by Judge Claude M. Hudson, Sedgewick county probate court judge; Dec. 26, Christmas party and ladies' night; Jan. 9, "Leaves from a Scrap Book," P. M. Anderson, veteran Northwestern Mutual producer and former general agent; Jan. 23, "The Function of a Trust Company," Wilbur Jones, Wheeler, Kelly, Hagerty Trust Co., Wichita; Feb. 13, "Taxation," Clayton Mammell, home office general agent Farmers & Bankers, Wichita.

* * *

Sioux City, Ia.—V. W. Samms, assistant superintendent of agents Mutual Benefit Life, spoke on "Better Selling Methods." Henry Hampe presided.

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Kansas City—A seminar on the new social security law will be held Nov. 18. The general implications of the law will be outlined by Hugh McTernan, Sun Life. L. B. Fink, Equitable Life of New York, will discuss ways of overcoming prospect's objections to buying life insurance which are based on the social security act, and a third agent, yet unnamed, will discuss social security as it has been created by legal reserve life insurance.

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Rockford, Ill.—J. P. Carroll, superintendent of agents Lincoln National Life, speaks at the monthly meeting Friday on "Effective Working Habits."

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Indianapolis—Prof. Hubert Greaves of Yale University said there are three forms of expression—by the use of words, the voice and the body in gestures or pantomime. He illustrated the changes in meaning that are produced by tone of voice and the use of gestures in even the most commonplace exchanges in salutation and conversation. He spoke convincingly of the importance of studying the use and control of all three forms of expression and the effect on a prospect for life insurance of the personal attitude of the agent, the inflection of his voice, the manifestation of interest and the use of personality in promoting sympathetic response.

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Pittsburgh—The second fall seminar consisting of three groups, is being held Friday.

Getting cash with applications will be discussed by Charles R. Travis, Bankers Life of Des Moines; John E. Davis, Massachusetts Mutual. Achieving steady production will be considered by George Stewart, Penn Mutual; Philip Kessler, Reliance Life, and C. M. Erwin, Provident Mutual. Placing ordinary on the breadwinner in the industrial home will be told by Fred E. Tishbein, manager of East Liberty branch Metropolitan Life.

President Leroy A. Lincoln, Metropolitan Life, is to be one of three principal speakers at the golden jubilee of the

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Pittsburgh association. An authority on economics and an industrial leader will also speak.
A number of prominent company officials have accepted invitations to be present at the anniversary banquet.
President John S. Fisher of the Pennsylvania Insurance Federation and former Pennsylvania governor will be present.
About 100 citizens of Pittsburgh outside of insurance signed their intention of being present as guests. Among the officials to be present are A. J. McAndrews, executive vice-president Lincoln National; President F. H. Rhodes, Berkshire; President H. S. Nollen, Equitable

Life of Iowa; Executive Vice-president J. N. Jamison, Reliance Life; Vice-presidents J. C. Behan and C. O. Fischer, Massachusetts Mutual; Vice-president F. H. Sykes, Fidelity Mutual; Vice-president J. C. Rietz, Midland Mutual; Vice-president D. G. Hunter, Phoenix Mutual; Vice-president J. A. Stevenson, Penn Mutual; President John C. Hill, Standard Life of Pittsburgh; Vice-president A. N. Mitchell, Canada Life; Vice-president Stephen Ireland, State Mutual; President C. W. Young, Monarch Life; J. W. Blunt, second vice-president Monarch Life; President L. L. Loomis, Connecticut Mutual.

NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

John Hancock Takes Action

Dividend Formula for 1937 Adopted by Directors Has Lower Interest Factor

BOSTON, Nov. 12.—President Guy W. Cox announced a new dividend formula for 1937 on ordinary policies of the John Hancock Mutual was adopted by the board. It calls for a reduction in interest factor to 3.75 percent, which is more than offset under premium-paying policies by adjustments of gains from mortality and expense loadings in accordance with experience. The distribution under the new formula in general will be increased for these policies.
On paid-up policies and other policies upon which dividend distribution results almost entirely from interest earned in excess of the reserve rate, which represent not over 8 percent of the company's insurances, dividends in 1937 may be less than those previously paid.
"The new 1937 scale," said President Cox, "meets the facts, adjusts the surplus distributions equitably in accordance with present conditions and as a whole results in approximately a 10 percent increase in the amount of dividend payments."

Other Details of Action

The same general formula now in effect will be continued on retirement annuities and group policies. No change has been made in the scale of distribution for industrial policies except the natural increase involved in another year's duration.
The directors also voted that during 1937 interest be allowed on funds held on deposit or retained under optional settlement provisions in the policies at the rate of 3½ percent. Dividends and other funds left on deposit on ordinary policies will be allowed a maximum rate of 3½ percent.

New England Mutual Will Continue Dividend Scale

The New England Mutual Life announces that \$9,500,000 has been voted by the directors as the dividend for 1937. This amount is \$500,000 greater than the distribution for the preceding year, and continues the dividend scale payable in 1936 on all policies without reduction. The prevailing low rates of interest have convinced the company of the desirability of reducing the interest payable on trust funds by one-quarter of 1 percent, from 4 percent to 3¾ percent. Interest on dividends left on deposit and on dividend additions will be at the rate of 3½ percent instead of 3¾ percent. Dividends on additions on policies issued prior to 1908, when the company adopted the 3 percent reserve, are not affected.

Get Reducing Your Taxes. 50-page booklet, 50 cents. Order from National Underwriter.

Extends Contract to Women

Provident Mutual Makes "Provider" Available; New Dividend Scale Shown

Announcement of the Provident Mutual's dividend action for 1937 was made in the last issue. There is a moderate over-all percentage increase. The company estimates the 1937 scale represents an apportionment of about \$135,000 in the aggregate over the amount that would have been passed out if the 1936 scale had been continued.
The Provident also has made available for women the "provider" policy which for several years has been sold only to male risks. This is a retirement income contract based on \$10 a month income unit. The premium rates for women are somewhat more than for men in order to accumulate the larger sum at maturity necessary because of greater longevity of women. For instance, on the maturity at 65 contract, maturity value is \$1,337 per \$10 a month unit for men, whereas it is \$1,466 for women.
The new dividend scale on the more popular forms and rates and dividends for the "provider" contract for women are:

Ordinary Life					
Net Cost End of Year					
	1	10	20	10 Yr.	20 Yr.
20	\$13.55	\$12.36	\$10.77	\$12.97	\$12.22
25	15.44	14.03	12.48	14.76	13.97
30	17.55	16.38	14.60	17.10	16.27
35	20.98	19.49	17.22	20.24	19.27
40	25.26	23.47	20.59	24.42	23.18
45	31.07	28.65	25.25	29.92	28.35
50	38.77	35.59	31.95	37.25	35.38
55	49.19	45.18	41.28	47.19	45.08
60	63.21	58.76	54.33	60.95	58.61

20 Payment Life					
	1	10	20	10 Yr.	20 Yr.
20	22.93	21.02	18.56	22.00	20.82
25	24.98	22.87	20.41	23.96	22.73
30	27.44	25.27	22.63	26.35	25.10
35	30.41	28.25	25.26	29.35	27.98
40	34.29	31.87	28.55	33.14	31.58
45	39.33	36.39	32.95	37.92	36.15
50	45.87	42.33	39.16	44.16	42.25
55	54.70	50.52	47.87	52.59	50.65
60	68.83	62.38	60.14	64.54	62.59

Provider at 65 (Women)					
	1	10	20	10 Yr.	20 Yr.
20	20.23	18.53	16.32	19.40	18.34
25	24.08	22.04	19.67	23.09	21.91
30	29.20	26.91	24.10	28.05	26.72
35	36.29	33.70	30.27	35.02	33.41
40	46.67	43.40	39.06	45.11	43.09
45	62.58	58.18	50.43	60.44	57.54
50	89.12	83.41	72.00	86.25	84.17
55	141.81	130.77	113.77	137.27	132.00

Provider at 65 (Men)					
	1	10	20	10 Yr.	20 Yr.
20	19.11	17.50	15.39	18.33	17.32
25	22.66	20.72	18.48	21.72	20.60
30	27.39	25.23	22.59	26.30	25.05
35	33.93	31.52	28.26	32.75	31.24
40	43.51	40.46	36.69	42.06	40.17
45	58.20	54.08	47.50	56.20	53.64
50	82.61	77.23	68.00	79.92	76.16
55	130.93	121.38	106.00	126.90	121.00

*Average net cost 15 years.

20 Year Endowment					
	1	10	20	10 Yr.	20 Yr.
20	\$41.88	\$38.53	\$34.29	\$40.26	\$38.21
25	42.21	38.83	34.74	40.58	38.57
30	42.67	39.40	35.38	41.05	39.12
35	43.45	40.35	36.37	41.94	40.03
40	44.90	41.75	37.91	43.40	41.46
45	47.45	44.00	40.52	45.79	43.82
50	51.55	47.73	44.94	49.69	47.75

	1	10	20	10 Yr.	20 Yr.
55	58.22	53.94	51.76	56.05	54.19
60	68.63	64.18	62.26	66.33	64.49

Endowment at 65					
	1	10	20	10 Yr.	20 Yr.
20	16.44	15.03	13.17	15.75	14.87
25	19.29	17.59	15.68	18.47	17.50
30	23.05	21.21	18.96	22.12	21.06
35	28.24	26.23	23.41	27.25	25.98
40	35.85	33.33	29.93	34.66	33.04
45	47.45	44.00	40.52	45.79	43.82
50	66.49	61.91	55.00	64.22	63.01
55	103.56	97.92	89.00	100.53	97.00

*Av. net cost 15 years.

Family Income					
	20 Yr.	15 Yr.	10 Yr.	1	2
20	\$8.56	\$8.52	\$6.68	\$6.66	\$4.72
25	9.31	9.21	7.20	7.12	5.09
30	10.39	10.27	7.89	7.79	5.57
35	12.73	12.60	9.30	9.21	6.47
40	17.25	17.23	12.12	12.09	8.03
45	24.93	24.78	17.01	16.91	10.79
50	34.00	33.82	24.67	24.50	15.35
55	47.00	46.72	34.00	33.82	22.82

Premium Rates "Provider" (Women)					
	20	25	30	35	40
20	\$24.48	\$22.22	\$20.00	\$18.00	\$16.51
21	25.22	23.00	20.75	18.75	17.22
22	26.01	23.75	21.50	19.50	17.97
23	26.83	24.50	22.25	20.25	18.74
24	27.71	25.38	23.13	21.13	19.64
25	28.65	26.32	24.07	22.07	20.59
26	29.64	27.31	25.06	23.06	21.58
27	30.69	28.36	26.11	24.11	22.63
28	31.80	29.47	27.22	25.22	23.74
29	32.99	30.66	28.41	26.41	24.93
30	34.25	31.92	29.67	27.67	26.19
31	35.58	33.25	31.00	29.00	27.52

Northwestern Mutual Scale

Actuary Evans Finds Reduction of Dividends in Mutual Company Desirable Under Conditions

Revision of the Northwestern Mutual's dividend scale for 1937, involving an over-all drop of 17.7 percent, Percy H. Evans, vice-president and actuary, states in the announcement to agents, reflects belief of the home office that the present low interest rates on invested assets may continue for several years. He emphasizes, however, that since the company is on a mutual plan with no stockholders all surplus earned from interest income and other sources accrues to the benefit of policyholders and is equitably distributed in the form of annual dividends as current conditions permit. The downward revision, therefore, is a safeguard which will not deprive policyholders of their just due.

Comments on Situation

"No intelligent person," Mr. Evans comments, "would expect that a life insurance company holding for its policyholders many millions of assets could come through the most severe depression and deflation of values this country has ever experienced without its earning power being affected. Forces at work, partly economic and partly political, have sharply reduced interest rates on invested assets."

The average dividends actually paid per \$1,000 for various issues, he said, were: 1918, \$8.33; 1919, \$8.50; 1920, \$8.42; 1921, \$8.12; 1922, \$8.08; 1923, \$8.15; 1924, \$9.48; 1925, \$9.49; 1926, \$10.12; 1927, \$10.17; 1928, \$10.20; 1929, \$10.74; 1930, \$10.74; 1931, \$10.76; 1932, \$10.76; 1933, \$10.23; 1934, \$7.80; 1935, \$9.10; 1936, \$9.21 (est); 1937, \$7.58, (est.).

Dividends under options of settlement are now based on 3.5 percent in-

National Life to Continue Its Present Dividend Scale

The National Life of Vermont announces that it will continue the present dividend scale on all forms of policies except dividend additions for 1937. An increase of dividends on most policies was made a year ago. Due to the prevailing low interest now available on trust fund types of investments there will necessarily be a reduction next year in surplus interest distribution on funds left with the company. The basis of surplus and interest distribution on trust funds will be 3½ percent for 1937.

What
Has Done Most
to
Save People's
Homes?

...LIFE INSURANCE!

The way in which Life Insurance can save a man's home for his widow and children after he has gone is an old, old story. But the way in which it can save a man's home while he is still alive is a story which has been emphasized in the last five or six years.

When all else failed, when most resources were washed away, when families were faced with the loss of hard-earned homes, Life Insurance time and again provided the ready money with which mortgages were settled.

Life Insurance has been extended to perform such emergency service, in addition to its primary idea of financial protection in the event of death. Today Life Insurance does many things for humanity. It fights disease.... banishes worry.... helps people to save money.... reduces the effects of unemployment.... provides the most workable plan of old age pensions which has yet been devised. It is truly one of the great social forces of our day.

★ In spite of the extraordinary demands of the past five or six years, Reliance Life has increased its assets and reserves every year.

RELIANCE LIFE
INSURANCE COMPANY OF
PITTSBURGH

terest. When funds retained by the company under option are not subject to cash withdrawal the interest basis will be 3.75 percent.

Dividends on more popular forms are:

Ordinary Life					
Dividends End of Year—					
	1	5	10	15	20
20	4.90	5.21	5.67	6.20	6.67
21	4.94	5.27	5.75	6.28	6.76
22	5.00	5.35	5.85	6.37	6.85
23	5.07	5.42	5.94	6.44	6.94
24	5.13	5.50	6.05	6.54	7.03
25	5.20	5.59	6.15	6.62	7.13
26	5.27	5.68	6.23	6.72	7.23
27	5.35	5.77	6.31	6.80	7.32
28	5.42	5.87	6.39	6.90	7.42
29	5.51	5.97	6.48	7.00	7.52
30	5.60	6.07	6.57	7.09	7.62
31	5.69	6.16	6.67	7.19	7.74
32	5.80	6.25	6.77	7.30	7.87
33	5.90	6.35	6.87	7.41	7.99
34	5.99	6.42	6.97	7.51	8.13
35	6.08	6.51	7.07	7.62	8.26
36	6.17	6.61	7.16	7.75	8.42
37	6.26	6.71	7.27	7.88	8.59
38	6.35	6.80	7.38	8.01	8.77
39	6.44	6.91	7.50	8.16	8.96
40	6.54	7.01	7.61	8.31	9.16
41	6.64	7.13	7.76	8.48	9.40
42	6.74	7.24	7.88	8.65	9.63
43	6.86	7.35	8.04	8.86	9.89
44	6.96	7.47	8.19	9.06	10.15
45	7.07	7.61	8.35	9.30	10.44
46	7.19	7.76	8.55	9.56	10.74
47	7.33	7.90	8.75	9.82	11.06
48	7.45	8.07	8.98	10.13	11.40
49	7.61	8.25	9.22	10.43	11.78
50	7.77	8.43	9.49	10.76	12.20
51	7.93	8.66	9.78	11.11	12.65
52	8.12	8.88	10.09	11.48	13.11
53	8.31	9.14	10.44	11.89	13.59
54	8.51	9.41	10.79	12.33	14.10
55	8.76	9.73	11.19	12.82	14.63
56	9.02	10.09	11.60	13.37	15.20
57	9.32	10.45	12.05	13.93	15.81
58	9.64	10.87	12.55	14.52	16.42
59	10.00	11.30	13.10	15.16	17.10
60	10.40	11.78	13.69	15.82	17.78
61	10.84	12.29	14.36	16.52	18.57
62	11.33	12.85	15.08	17.30	19.35
63	11.84	13.46	15.81	18.07	20.21
64	12.42	14.15	16.62	18.95	21.06
65	13.03	14.91	17.48	19.84	22.01

20 Payment Life					
	1	5	10	15	20
20	5.34	5.94	6.81	7.81	8.87
21	5.40	6.01	6.90	7.91	8.97
22	5.46	6.08	6.99	7.99	9.06
23	5.53	6.17	7.09	8.08	9.17
24	5.58	6.24	7.19	8.17	9.26
25	5.65	6.33	7.29	8.26	9.37
26	5.72	6.41	7.37	8.36	9.47
27	5.80	6.51	7.45	8.45	9.58

Dividends End of Year—					
	1	5	10	15	20
28	5.88	6.61	7.53	8.55	9.69
29	5.96	6.71	7.62	8.64	9.80
30	6.05	6.80	7.71	8.74	9.92
31	6.15	6.89	7.81	8.85	10.04
32	6.25	6.97	7.90	8.95	10.16
33	6.35	7.05	7.99	9.05	10.30
34	6.44	7.14	8.09	9.15	10.43
35	6.53	7.22	8.18	9.26	10.57
36	6.62	7.33	8.29	9.39	10.73
37	6.69	7.42	8.39	9.50	10.88
38	6.78	7.51	8.49	9.63	11.04
39	6.87	7.61	8.59	9.77	11.21
40	6.97	7.70	8.70	9.90	11.39
41	7.07	7.80	8.83	10.06	11.59
42	7.16	7.90	8.95	10.22	11.79
43	7.26	8.01	9.08	10.40	12.00
44	7.36	8.12	9.23	10.58	12.21
45	7.47	8.24	9.38	10.78	12.44
46	7.58	8.37	9.53	10.99	12.66
47	7.70	8.51	9.71	11.21	12.91
48	7.81	8.66	9.91	11.46	13.16
49	7.95	8.82	10.12	11.71	13.44
50	8.10	8.98	10.35	11.98	13.72
51	8.24	9.18	10.60	12.27	14.01
52	8.42	9.38	10.86	12.56	14.32
53	8.60	9.62	11.18	12.90	14.63
54	8.79	9.86	11.48	13.27	14.97
55	9.02	10.15	11.84	13.66	15.30
56	9.26	10.47	12.20	14.10	15.64
57	9.54	10.80	12.59	14.57	16.01
58	9.85	11.20	13.03	15.06	16.39
59	10.20	11.60	13.53	15.59	16.79
60	10.58	12.05	14.07	16.15	17.18

20 Year Endowment					
	1	5	10	15	20
20	6.25	7.43	9.13	11.09	13.32
21	6.29	7.47	9.17	11.12	13.34
22	6.33	7.51	9.21	11.14	13.36
23	6.37	7.56	9.26	11.16	13.37
24	6.43	7.61	9.31	11.20	13.40
25	6.47	7.66	9.35	11.21	13.43
26	6.52	7.71	9.39	11.24	13.45
27	6.59	7.78	9.43	11.28	13.48
28	6.64	7.85	9.46	11.30	13.51
29	6.71	7.91	9.50	11.34	13.54
30	6.77	7.97	9.53	11.36	13.56
31	6.84	8.02	9.59	11.39	13.60
32	6.92	8.06	9.61	11.42	13.64
33	7.00	8.11	9.66	11.46	13.67
34	7.07	8.16	9.70	11.49	13.72
35	7.15	8.23	9.75	11.54	13.76
36	7.20	8.28	9.78	11.58	13.81
37	7.26	8.33	9.84	11.63	13.86
38	7.33	8.39	9.88	11.67	13.91
39	7.39	8.45	9.93	11.73	13.96
40	7.47	8.51	9.98	11.79	14.02
41	7.53	8.57	10.04	11.85	14.09
42	7.61	8.64	10.12	11.93	14.16
43	7.69	8.70	10.19	12.02	14.23
44	7.77	8.78	10.27	12.11	14.30
45	7.86	8.87	10.36	12.22	14.39
46	7.94	8.96	10.47	12.34	14.48
47	8.03	9.05	10.58	12.47	14.58
48	8.13	9.17	10.72	12.63	14.69
49	8.24	9.30	10.87	12.79	14.81

Dividends End of Year—					
	1	5	10	15	20
50	8.36	9.41	11.04	12.96	14.93
51	8.49	9.58	11.23	13.15	15.07
52	8.64	9.75	11.45	13.37	15.21
53	8.80	9.95	11.69	13.62	15.37
54	8.98	10.17	11.95	13.89	15.54
55	9.19	10.42	12.25	14.20	15.72
56	9.41	10.71	12.56	14.55	15.92
57	9.68	11.02	12.91	14.94	16.13
58	9.95	11.38	13.30	15.35	16.36
59	10.29	11.75	13.75	15.81	16.61
60	10.66	12.18	14.26	16.31	16.88

Special Retirement Endowment at 65					
	1	5	10	15	20
20	5.17	5.66	6.36	7.19	8.07
21	5.24	5.75	6.49	7.33	8.17
22	5.30	5.83	6.61	7.45	8.33
23	5.38	5.94	6.75	7.59	8.50
24	5.46	6.05	6.89	7.75	8.69
25	5.55	6.17	7.03	7.89	8.87
26	5.63	6.28	7.16	8.06	9.06
27	5.73	6.40	7.30	8.22	9.26
28	5.84	6.54	7.44	8.41	9.50
29	5.94	6.68	7.59	8.59	9.72
30	6.06	6.81	7.74	8.78	9.97
31	6.18	6.95	7.91	8.98	10.24
32	6.32	7.08	8.07	9.20	10.52
33	6.44	7.22	8.25	9.42	10.83
34	6.58	7.36	8.44	9.67	11.15
35	6.71	7.52	8.65	9.94	11.51
36	6.84	7.70	8.87	10.22	11.91
37	6.97	7.86	9.08	10.53	12.31
38	7.11	8.04	9.32	10.86	12.76
39	7.26	8.24	9.59	11.23	13.26
40	7.43	8.44	9.87	11.63	13.79
41	7.59	8.66	10.19	12.05	14.50
42	7.77	8.88	10.51	12.52	15.42
43	7.96	9.14	10.89	13.05	16.43
44	8.16	9.42	11.30	13.61	17.52
45	8.39	9.73	11.75	14.21	18.73
46	8.62	10.07	12.25	14.93	19.95
47	8.89	10.45	12.81	15.94	21.20
48	9.18	10.88	13.45	17.17	22.58
49	9.50	11.35	14.14	18.55	24.09
50	9.87	11.88	14.94	20.11	25.74

Endowment at 65					
	1	5	10	15	20
20	5.03	5.44	6.02	6.70	7.34
21	5.09	5.52	6.13	6.81	7.48
22	5.17	5.60	6.24	6.93	7.61
23	5.23	5.69	6.36	7.04	7.74
24	5.31	5.79	6.49	7.16	7.88
25	5.38	5.89	6.61	7.28	8.03
26	5.45	5.99	6.71	7.42	8.17
27	5.54	6.09	6.82	7.54	8.33
28	5.63	6.22	6.94	7.69	8.51
29	5.74	6.35	7.07	7.84	8.68
30	5.84	6.46	7.19	7.98	8.87
31	5.95	6.58	7.34	8.15	9.07
32	6.07	6.69	7.46	8.32	9.29
33	6.20	6.80	7.62	8.50	9.53
34	6.32	6.93	7.77	8.69	9.77
35	6.43	7.07	7.93	8.89	10.04
36	6.53	7.20	8.09	9.11	10.33
37	6.64	7.34	8.27	9.34	10.65
38	6.77	7.50	8.47	9.60	11.00
39	6.90	7.66	8.67	9.88	11.38
40	7.05	7.82	8.89	10.19	11.78
41	7.18	8.00	9.14	10.52	12.23
42	7.34	8.18	9.40	10.88	12.70
43	7.50	8.40	9.69	11.29	13.22
44	7.67	8.61	10.02	11.73	13.79
45	7.86	8.87	10.36	12.22	14.39
46	8.06	9.14	10.76	12.76	14.58
47	8.27	9.43	11.19	13.36	...
48	8.50	9.77	11.69	14.01	...
49	8.77	10.14	12.23	14.73	...
50	9.07	10.53	12.86	15.54	...
51	9.40	11.05	13.56	15.84	...
52	9.76	11.61	14.36	...	...
53	10.15	12.21	15.28	...	...
54	10.22	12.26	15.28	...	...
55	10.72	13.00	16.34	...	...
56	11.32	13.89	17.56	...	...

LIFE AGENCY CHANGES

New State Mutual Manager

John K. A. Brown Takes Charge of Westchester-Southwestern Connecticut Area

State Mutual Life has appointed John K. A. Brown manager of its territory in southwestern Connecticut and Westchester county, New York. The office will be located in Stamford, Conn.

Mr. Brown has spent his entire business career in the insurance business, beginning 15 years ago. For the past 12 years he has been with the Aetna Life. Beginning as special agent, three years later he was appointed supervisor. After serving two years in that post he became assistant general agent in Stamford, and moved from there to Syracuse to become a general agent in the partnership of Brown & Barnes, the position he has filled the past five years. A native of Massachusetts, Mr. Brown was born and attended school in Whitinsville. He received his A. B. from Amherst in 1919, and while there was elected to Phi Beta Kappa. He is secretary of the Syracuse Trust Council.

Yeomen Mutual at Flint

Further expansion of the Yeomen Mutual Life's agency set-up in Michigan, with the appointment of two new general agents at Flint, is announced. The new general agents for Flint and adjacent territory are W. G. Phelon and C. A. Fletcher. Mr. Phelon has a record of 17 years continuous production success. He was formerly general agent of the Ohio National Life. Mr. Fletcher has been in life insurance for the past 11 years and has lived in Flint all his life. He has been district agent of the Penn Mutual there. Offices will be maintained at 502 Citizens Bank building, Flint.

Craig Kennedy Is Named

The Northwestern National Life has appointed Craig Kennedy city manager for Wichita with offices at 212 Orpheum building in connection with the general agency offices of W. A. & G. F. Bachman, who supervise Kansas and Oklahoma. Mr. Kennedy has been with the

Goes to Detroit



LANTZ L. MACKAY

Lantz L. Mackey, who has just gone to Detroit as general agent of the Central Life of Iowa, formerly held a similar post with that company at Fort Dodge, Ia. He has been with the Central Life since 1930.

Bachman agency in Wichita, where he has been in the life business for some 15 years, previously being with the Northwestern Mutual.

State Mutual of Rome, Ga., Opening Office in Atlanta

The State Mutual Life of Rome, Ga., which was recently reorganized and licensed to resume business, has appointed John S. Cowles as general agent for the Atlanta territory, and opened offices at 301 Rhodes-Haverty building, Atlanta.

Geston Garner, executive vice-president, and E. E. Lindsey, vice-president, were in Atlanta Friday closing up details of the appointment. The company is operating on entirely mutual lines and expects to write considerable business in that section in policies of moderate amounts.

Mr. Cowles is widely known in Georgia as an outstanding personal producer, and for years was ranked at the top of the list in business written, giving much of his time and attention to partnership policies.

Canada Life Branch at Oakland

The Canada Life has opened a new branch at Oakland, Cal., under the management of F. E. Bowen, formerly district manager at Pomona, Cal. C. H. Carpenter, manager at Los Angeles, has been appointed supervisor for California. In addition to his new responsibilities, he will continue the management of the Los Angeles branch, in conjunction with Assistant Manager Neil Burton.

Rosati Returns to Michigan Life

Alex N. Rosati has been named home office agency manager for the Michigan Life. He returns to the company with which he started in the ordinary field eight years ago. He succeeds J. B. Hutchins, resigned. The agency is the largest in the company and has 36 agents under contract.

Mr. Rosati began selling life insurance in 1925 with the John Hancock Mutual industrial department in Detroit and in 1926 was appointed assistant manager. In 1928 he resigned to sell ordinary for the Michigan Life and for five years he was its largest personal producer.

In 1933 he joined the Prudential ordinary agency and paid for \$500,000 his first year. The following year he was appointed assistant manager of the Prudential agency, resigning to rejoin the Michigan Life in his new capacity.

Skelton Field Supervisor

William Skelton has been promoted to field supervisor in Ontario for the Loyal Protective and Loyal Life. He has been a successful personal producer there.

Life Agency Notes

John T. Shook, district manager Equitable Life of New York, has been transferred from Elyria to Mansfield, O.

Baxter Reynolds has been appointed manager of the brokerage department of the Philadelphia office of the United Mutual Life. He had been with the Philadelphia Life for a number of years.

L. E. Harrell has resigned as manager of the life department Frank Sparks agency, Corpus Christi, Tex., which has represented the Fidelity Union Life, and has joined the Fidelity Union Life agency in San Antonio.

Malcolm MacCullum, who has been affiliated with the Blossom agency in Erie, Pa., for the Connecticut Mutual Life since 1931, has been transferred to the Zimmerman agency in Newark, N. J. Mr. MacCullum, whose father has been a medical examiner for the company for the past 20 years, was made a supervisor of the Blossom agency in 1934, and he will hold a similar position with the Zimmerman agency in New Jersey. The Zimmerman agency now has four supervisors.

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THANKSGIVING

COMES again November to bring our national festival of Thanksgiving Day. The occasion should be a gratifying reminder to life underwriters that, but for their profession's service of security, the Day would bear unhappy significance in countless American homes.



Richmond

Bradford H. Walker, President

AS SEEN FROM NEW YORK

By R. B. MITCHELL

LITTLE BUSINESS SUBMITTED

Many New York City agencies experienced an extremely poor October in submitted business, due in considerable part to the imminence of the national election. As there has been no marked improvement in submitted business so far this month, November paid business will probably be bad.

Some of the prospects who told agents to come and see them after the election are buying insurance, but with a great number it was merely an alibi.

* * *

SWISS OFFICIALS IN U. S.

Paul Alther of Zurich, general manager of the Swiss Reinsurance, with which are affiliated the European General Reinsurance and the North American Reinsurance, is in New York City conferring with United States officials of these companies. Charles Ochsenbein, sub-manager of the Swiss Reinsurance, made the trip to this country

with Mr. Alther but returned to Zurich last week.

* * *

WILL AWAIT A DECISION

The General Foods Corporation has notified its employees that it will retain its own retirement plan for workers pending a decision by the United States Supreme Court on the constitutionality of the social security act. Its plan has been in effect for two years. If the validity of the law is upheld, President Francis said, the management will reconsider the whole problem of retirement benefits.

* * *

ADVERTISING COMMITTEES

The Insurance Advertising Conference expects to hold its next meeting in New York City the first week of December. A. A. Fisk of the Prudential is president. Committees have been appointed as follows:

Program—C. E. Freeman, Springfield

F. & M., and R. E. Brown, Jr., Aetna Casualty & Surety.

Frontier Safety—R. G. Richards, Atlantic Life.

Publicity—F. J. Price, Jr., Prudential.

Membership—J. W. Mason, London Assurance and J. A. Peirce, John Hancock Mutual Life.

Life Insurance Week—A. H. Reddall, Equitable Life of New York.

Standards of Practice—H. H. Putnam, John Hancock Mutual Life.

Accident & Health Week—C. A. Palmer, North America.

Committee to cooperate with police authorities of New York City towards the reduction of deaths and accidents by automobiles—S. F. Withe, Aetna Casualty & Surety; A. H. Reddall, Equitable Life of New York, and W. J. Traynor, North British & Mercantile.

* * *

KNIGHT AGENCY AHEAD

The Charles B. Knight Agency of the Union Central Life in New York City had a total paid volume for October of \$2,042,875 as against \$1,802,040 for last October. For the first 10 months the figure was \$17,583,211 as against \$23,156,968.

R. G. Quaile Is Joining Continental of Chicago



REGINALD G. QUAILE

R. G. Quaile, a consistent \$500,000 a year producer, has become an associate of Dwight Johnson in the Herkness, Peyton, Bishop general agency of Continental Assurance of Chicago in the Girard Trust building, Philadelphia.

Born in Salisbury, Conn., where his father was founder and headmaster of the famous Salisbury School, Mr. Quaile identified himself early with insurance and has had an extensive and varied brokerage experience in Los Angeles, Hartford and Pittsburgh. Imbued with the potential value of Young America, Mr. Quaile has had striking success in selling large sized juvenile policies in well-to-do families.

did not take into consideration all that had gone before.

Among the recommendations are the following:

That the law dealing with organization of stock life insurance companies be changed to require not less than \$250,000 capital and \$250,000 surplus before a company can receive a charter to write life insurance business in Texas.

That the law permitting organization of mutual legal reserve life insurance companies should be considerably changed or entirely repealed. The board said it is impossible for an organization to succeed under the present law since many have tried it and none has been successful. The report characterizes it as "folly to permit a law of this kind to remain on the statute books, as it must result in an injustice."

That the law be amended so as to prevent any insurance organization from investing more than 5 percent of its assets in a home office building or loaning more than a reasonable percentage of its assets to any one person or corporation or investment assets in any one project.

Amendment to the law authorizing organization of statewide mutual assessment companies and local mutual aid associations, so as to prohibit these organizations from selling all or part of their membership to any person or organization without the approval of the insurance department; and also to authorize the board to refuse to admit such persons believed incompetent, dishonest or otherwise disqualified to operate such organization.

That clarification be made in the Texas retaliatory law.

Mary Helen Smith, daughter of Mr. and Mrs. C. C. Smith of Decatur, Ill., became the bride of W. F. Bennett, Jr., of Oak Park, Ill. The bride's father has been agency manager for the Bankers Life of Iowa in Decatur over a long period of years.

CHICAGO NEWS

KENAGY ADDRESSES SUPERVISORS

H. G. Kenagy, superintendent of agents Mutual Benefit, addressed the Life Agency Supervisors of Chicago at luncheon Nov. 12 on "The Job of the Supervisor." Mr. Kenagy formerly was assistant manager of the Sales Research Bureau of Hartford. Officers were nominated, Elmer Grandson, Union Central, being chairman of the nominating committee. A general agents' dinner to be held in December is being planned, Samuel Leland, Jr., Fred S. James & Co., being chairman of this activity.

* * *

INSURANCE STOCK QUOTATIONS

H. W. McKinney of G. L. Ohrstrom & Co., Board of Trade building, Chicago, gives the following quotations on the stock of life companies:

	Par	Div.	Bid	Asked
Aetna Life	10	.60	27	28
Bank. Nat. Life	10	1.00	23	27
Build. Life, Ill.	1	...	1	3
Central Life, Ill.	10	...	9	...
Cent. States Life	5	...	3	5
Columbian Nat.	100	4.00	80	90
Conn. Gen. Life	10	.80	32	34
Cont. Assurance	10	2.00	38	40
Cont. Am. Life	10	1.20	31	35
Farm. & Traders	100	12.00	210	225
Fed. Life, Chgo.	10	...	8	...
Girard Life	10	.40	11	13
Great Nor. Life	10	...	4	...
Great South. Life	10	2.50	32	35
Life & Cas., Tenn.	2	...	15	17
Life of Va.	20	3.00	75	85
Lincoln National	10	1.20	26 1/2	27 1/2
Mo. State Life	10	...	40	60
Natl. Life & Ac.	10	1.60	65	75
Northw. National	5	.60	16 1/4	17 1/4
North Amer.	2	...	3	3 1/2
Ohio National	10	1.00	22	26
Ohio State Life	100	10.00	225	...
Old Line Life	10	.60	16	17
Pacific Mutual	1	...	3	4
Peoples Life, Ind.	10	.60	15	23
Philadelphia Life	10	...	3 1/2	4 1/2
Rockford Life	10	...	4	8
Sun Life, Can.	100	...	650	675
Travelers	100	16.00	470	480
Union Central	20	1.20	23	28
Wisconsin Natl.	10	.50	16	18

SOUTHERN FIELD

May Revise Insurance Law

Texas Board Urges Governor to Push Revamping of Statutes Affecting Life Carriers

AUSTIN, Nov. 12.—The Texas board of insurance commissioners has recommended to Governor Allred that the state insurance laws which the board characterized as full of inconsistencies that are in most cases conflicting, be completely rewritten. The report said that in many cases legislation passed

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Not Many Changes Are Anticipated

(CONTINUED FROM PAGE 3)

The general feeling in South Dakota is that Commissioner Dawson will be replaced, although he has made an excellent record. Two names have already been mentioned as possibilities, they being Pat Dunn and W. N. Van Camp, who was formerly commissioner. It is generally understood that Commissioner McClain will continue in Indiana. The faction of the Democratic party which was friendly to retiring Governor McNutt was triumphant in the gubernatorial landslide. Mr. McClain is an appointee of Governor McNutt. His office is efficiently managed and the people in general are well pleased with the showing he has made. He secured the adoption of an insurance code in his state two years ago. It is generally felt that Commissioner Mortensen of Wisconsin will be appointed for the term ending July 1, 1939. His term expired July 1, 1935. No insurance commissioner so far has been reappointed in Wisconsin but the general feeling is that Governor LaFollette will continue Commissioner Mortensen in office. The governor evidently was playing safe in not making any ap-

pointments as the senate was organized against him. Although the new Wisconsin senate will stand 16 to 17, nevertheless, there are a number of men in the conservative ranks in the body who believe that all the appointments should be confirmed. Governor LaFollette's closest friends have indicated that Commissioner Mortensen's administration has been entirely satisfactory to the public.

Iowa Murphy Not Affected

The election of a new governor in Iowa will not affect Commissioner Murphy of Iowa as his term is for four years and does not expire until July 1, 1939. In Iowa the governor is elected for two years and hence whoever is elected in 1938 will appoint the commissioner.

Commissioner Hobbs was reelected in Kansas by about 20,000 majority, although the state went Democratic, both nationally and for governor. He will enter his fourth term. He received a good margin over his Democratic opponent, J. H. Edwards, former Kansas Life company official. Few if any changes are expected in the Kansas department as a result of the reelection of Mr. Hobbs, who has the general cooperation of the insurance interests as a whole.

Situation in Minnesota

So far as the Minnesota department is concerned, there is no immediate change in its setup likely. Commissioner Yetka has four years yet to serve of his six-year term and he undoubtedly will be reappointed if he desires the position longer. There is, however, the report that he may resign before his term expires to take some other state post or to return to private law practice in northern Minnesota. The post of deputy insurance commissioner vacated by Deputy Johnson a few weeks ago has not been permanently filled.

O. E. Erickson won in the election in North Dakota, defeating S. A. Olsness. Mr. Olsness served the state many years as commissioner. Commissioner Hop-ton lost out in the primaries. Mr. Erickson is a farmer of Tappen and follower of William Langer who was elected governor.

Commissioner DeCelles of Massachusetts is not likely to be affected by the election. He was appointed for a three-year term by a Democratic governor. He has a year and a half to run. Another Democratic governor has been elected and therefore it is not predicted that he will be molested in any way.

A Republican governor was elected in New Hampshire. Commissioner John E. Sullivan is a Democrat. He has lived through Democratic and Republican administrations and it was the feeling among Mr. Sullivan's friends that the present governor would reappoint him. However, there seems to be some doubt as to this. Nothing definite has been learned.

Commissioner Smith Safe

There seems to be no doubt as to the reappointment of Commissioner Smith of Utah, who is regarded as one of the strongest men who has sat in his chair for a long time. He has done some constructive work which has appealed to the public. Commissioner Smith is a Democrat and his party won a decisive victory in Utah. In fact Commissioner Smith is one of the original backers of the governor.

One of the predictions in Ohio preceding the election was that while President Roosevelt would carry the state, Governor Davey, the Democrat, who was up for reelection, would be defeated because of the animosities he had created. It was generally taken for granted that Attorney General Brucker, his Republican opponent, would be elected. However, Governor Davey came through with the great Roosevelt landslide. Superintendent R.

L. Bowen, who has built up one of the most effective state departments will therefore carry on.

Ohio insurance men feel that A. A. Benesch will undoubtedly remain state director of commerce, the insurance department being one of the bureaus under his supervision. R. L. Bowen will continue as insurance superintendent. However, there is a general report that another person will be named to succeed State Fire Marshal Frank Henry.

What might be called the stormy petrels in the supervisory official ranks will all undoubtedly continue. The men who have created more talk than any others are DeCelles of Massachusetts, Hunt of Pennsylvania, Palmer of Illinois, O'Malley of Missouri and Sullivan of Washington.

Commissioner Ham of Wyoming has two years yet on his four-year appointment and hence will not be disturbed.

Smrha Sure to Remain

The reelection of Governor Cochran of Nebraska undoubtedly means the retention of Commissioner Smrha as head of the insurance department. Since he entered the bureau he has applied himself very assiduously. For the first time the bureau has been recognized by having made available to it the services of a trained lawyer, John S. Logan.

Those who are close to the political situation in Idaho believe that Commissioner W. H. Bakes, who was appointed four years ago by a Democratic governor, will be continued by the newly elected governor of the same political persuasion.

The election of Deputy Commissioner M. J. Bradley of Pennsylvania to Congress has created considerable conjecture as to just who will be named to succeed him in the department. Strange to say, no names have yet been mentioned. Commissioner Hunt stated that he was giving the matter thorough consideration and that he does not know at this time just who the successor will be. However, the commissioner made it clear that he was seeking a man capable of filling the post; one that would prove acceptable to all of the insurance interests.

Commissioner Gentry of Arkansas is not likely to be represented and at this time it is impossible to state who is likely to secure the post. Commissioner Gentry has made a very acceptable official but it is definitely known that he will not be reappointed.

Situation in Texas

Discussion has begun in Texas as to whether Alfred, who has just been elected for the second term, will make a change in the fire insurance commissioner. R. S. Mauk who holds the post now is a very live man and has given satisfaction both to insurance people and the public. However, it is rumored that Marvin Hall of Brownsville, now serving as state tax commissioner, may get the position. He was Governor Alfred's campaign manager and did a very fine job. Recently he promoted the tax commissioner and appointed Mr. Hall in his place but explicitly announced that it was only temporary. This undoubtedly means that he intends to give Mr. Hall a new post. R. L. Daniel, the life commissioner, holds until 1939 and R. G. Waters, casualty commissioner, rules until 1941.

John J. Holmes, insurance commissioner of Montana was elected over George P. Porter by a plurality of 36,482. Mr. Holmes is a Democrat and was opposed by George P. Porter, Republican, who was former commissioner.

Expect Missouri Code Action

JEFFERSON CITY, MO., Nov. 12.—The makeup of the next Missouri legislature will be largely the same as at the last session. The Democrats will control both houses by very large majorities, which will enable the new state administration to put through its legislative program without any fear of successful attack. It is believed here that some revision of the insurance code can be expected, although probably the lawmakers may not go as far in that di-

rection as Superintendent O'Malley would like. Indications are that there will be separate provisions for stock, reciprocal and mutual fire and liability carriers and for legal reserve companies and fraternal in the life field. This would avoid the opposition from concentrating for the defeat of the entire code as happened in 1935.

Study the Tax Features of Obsolescence Cover

NEW YORK, Nov. 12.—Dr. Hans Heymann of Germany who has been in this country several weeks seeking to promote interest in obsolescence insurance, is reported to be optimistic as to the prospects here. He has obtained some encouragement from the savings banks and he is said to be optimistic over the prospects for raising capital for an obsolescence insurance company. He intends to work for the passage of a law in the New York legislature authorizing the sale of obsolescence insurance. His scheme in Germany was advanced by the consideration that premiums paid for obsolescence insurance were deducted as an expense in computing taxable income whereas the government authorities would not have permitted an equal amount to be set aside as a depreciation reserve. His scheme is being given attention in this country at this time, it is said, because of the possibility of using obsolescence premiums to overcome some of the effects of the undistributed profits tax. Dr. Heymann is said to have made some inquiries about obtaining reinsurance. He is working in connection with the Certified Building of Registry or Lloyds Register of Buildings.

W. F. W. Taber, 62, with the Penn Mutual agency in Boston since 1915, and one of the best known life underwriters in the city, died there.



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LEGAL RESERVE FRATERNALS

Iowa Tax Case Is Taken Under Advisement by Court

The injunction suit of two fraternal, the Modern Woodmen and Woodmen of the World, Omaha, against the Iowa department to prevent revocation of their license for failure to pay the contested premium tax for 1935, was taken under advisement by a three-judge federal court at Des Moines after hearings were held.

Herbert Lautmann, Chicago, attorney for the M. W. A., told the court the department should have declined to issue a license if it believed policies offered by the fraternal would invade the old line field. The state law exempts fraternal from tax.

Assistant Attorney-General L. T.

Ryan, representing the department, contended the societies have been giving more attention to insurance and less to fraternalism in recent years and declared they have offered endowment policies and other special type policies sold by old line companies. He said that \$18,000,000 surplus shown in the W. O. W. annual statement was a profit which should have been distributed to members.

President R. L. Holloway of the Gleaner Life Is Dead

Ross L. Holloway, president of the Gleaner Life, died at Harper Hospital, Detroit, after a brief illness with heart and nerve disorders. He had devoted many years of loyal service to the so-

ciety, being a far seeing executive with broad understanding of fraternal insurance, diplomacy and a high degree of executive ability. H. P. Orr is acting president.

Mr. Holloway was born in Norwalk, O., Jan. 19, 1866, moving to Portland, Mich., as a child where he received his public school education, then taught in district schools for a time. He was graduated from the state normal college in 1892, and in 1933 this institution gave him the honorary degree of "Master of Education." In 1893 he went to Caro, Mich., as superintendent of schools. After serving in this capacity for eight years, he became editor of the Caro "Courier" with which publication he remained until 1908 when he became associated with the Gleaner Life, then the Ancient Order of Gleaners, as assistant secretary.

In 1920 he was elected secretary in which position he remained until the death of the then president, Grant H. Slocum, in 1924, when Mr. Holloway was elected president of the Supreme Council, and later elected president of the society.

Ohio Fraternal Congress Meets

The Ohio Fraternal Congress is holding its annual meeting the last of this week in Columbus.

The Supreme Lodge of the Sons of Norway, Minneapolis, has been licensed in Connecticut.

J. L. Collins to Capitol Life

Takes Charge of Its Agency Operating in California with Headquarters in Los Angeles

Frank Antonelli, superintendent of agencies of the Capitol Life of Denver, arrived in Los Angeles accompanying James L. Collins who will have charge of the agency operations in California. Mr. Collins served in the agency department of the Pacific Mutual and later became vice-president of the New World Life when the home office was in Spokane. Later he was appointed superintendent of agents of the California-Western States Life and when the change in executive personnel was made he was transferred to Dallas to take charge of Oklahoma and Texas. He is located at 510 West Sixth street, Los Angeles. W. L. Ewing, the retiring general agent, is reentering the insurance brokerage field in the Merritt building.

Occidental Life Opening Branch Office in Chicago

Arrangements are being completed to establish a branch office in Chicago to handle the business of the Occidental Life of Los Angeles in Illinois, Indiana, Ohio and Michigan. The company recently was licensed to operate in those states.

A manager has not been selected yet, B. H. Jenkins, Los Angeles, vice-president, who is attending the Association of Life Agency Officers in Chicago, said. I. C. Cunningham, division manager, will finish opening the new office.

This represents entrance of the company east of the Mississippi, Mr. Jen-

kins said. At the beginning of 1936 the company had \$210,000,000 in force, while the amount in force at the end of the year will be about \$300,000,000, he added.

Intentional Injuries Act Debated by Lawyers' Group

Tom Leeming, Chicago insurance attorney, in a paper read before the Chicago Life Insurance Lawyers Club entitled "Exception from Risk Resulting from Loss or Injury Intentionally Inflicted," outlined litigation resulting from the clause in accident policies which provides the company is not liable in case of injuries intentionally inflicted by the assured or another. He cited the case of Ziolkowski vs. Continental Casualty which, after having gone through the Illinois appellate court three times is now pending in the state supreme court.

The case revolves around the question whether the carrier can prove that death was intended in the altercation upon which the claim was based. In the last review of the case in appellate court it was ruled the company should have added "fatal injuries" to the clause. The case was decided in favor of the plaintiff since the company did not specify that death through intentional injury was excluded.

The carrier is basing its continued use of the present clause on cases decided in Texas, Washington, Nebraska and Minnesota. The Illinois case is now in its seventh year. It was suggested that the clause be changed to "intentional act of assured or any other person." H. B. Goldstein gave a review of current decisions and L. Bomberger told a story.

"Benefit" Manager Pleads Guilty

DENVER, Nov. 12.—J. B. Ray Vaughn, manager of the Equitable Benefit Association, who is alleged to have taken for his own use \$2,694 from a guarantee benefit fund maintained by the association, changed his plea from not guilty to guilty in the district court here. He is charged with embezzlement, larceny and larceny by bailee. Sentence was deferred.

Clark to Speak in N. Y.

Paul F. Clark, general agent John Hancock Mutual Life in Boston, will address the New York City C.L.U. chapter Dec. 3 on indirect selling.

Northwestern National Dividend

The Northwestern National Life has declared its first dividend on capital stock, it being 15 cents per share or 3 percent on the par value.

The engagement of Miss Helen D'Olier, daughter of Vice-president Franklin D'Olier of the Prudential, and Mrs. D'Olier, to Edward Esty Stowell of New York City has been announced.

E. P. Nowotny of the Amicable Life agency at New Braunfels, Tex., who as president of the New Braunfels Junior Chamber of Commerce originated and worked for the municipal ownership of Landa Park, known for its beauty throughout Texas, has been presented a handsome plaque in recognition of his service.

ROYAL NEIGHBORS OF AMERICA

- One of the largest fraternal benefit societies.

Membership
598,014.

- Operates home for aged dependent members.

Admitted Assets
\$56,686,146.

- Maintains fraternal fund to assist needy members.

Total claims paid
\$87,937,415.

- Writes modern forms of life insurance for women, men and children.

Insurance in force
\$467,330,469.

- Provides free health service.

SUPREME OFFICE
ROCK ISLAND, ILL.

FORTY-ONE YEARS OF SERVICE

Royal Neighbors of America was chartered as a fraternal benefit society in the state of Illinois on March 21, 1895. Since that time the society has faithfully provided a dual service of insurance and true fraternalism for members numbering in the hundreds of thousands.

The history of Royal Neighbors of America reveals that its fundamental principle of twofold service has been an outstanding success. This success is reflected in the steady growth of the society and in statistics which place Royal Neighbors of America among the leaders in its field.

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Field Representatives Are Human. They Like to Know They Are Associated with a Company That Is Up-to-Date.

On January 1, 1936, we issued a Complete NEW LINE OF POLICIES. American Experience Table of Mortality—3% Interest Basis—(Now Used by Leading Insurance Companies).

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NORTON J. WILLIAMS, Vice President

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A Legal Reserve Fraternal Insurance Society

S. H. HADLEY, Supreme President

L. D. LININGER, Supreme Secretary

SHARON, PA.

SALES IDEAS AND SUGGESTIONS

Replacing Lost Income Seen as Major Insurance Task

George Schumacher, special agent Massachusetts Mutual, Cleveland, in an address before the luncheon of the Chicago Association of Life Underwriters stressed "the fundamental fact so often lost sight of by the average man that the true need of insurance is not to provide large sums of money but to replace income lost by the death of the bread winner."

He said the average beneficiary does not need large sums of money, in fact it is the one thing he or she should not have since statistics show 95 percent of such lump sums disappear in three years. However, clients often fail to grasp the monthly income idea and hence the opposition to it. Above all, agents should practice what they preach.

Mr. Schumacher urged life insurance men to analyze their prospect's insurance program and needs. Sloppy methods of buying and selling life coverage many times cause great suffering of the beneficiary in future years. In opposing the prospect's desire to provide a lump sum, the speaker said, the agent should show him what a cruel joke it is to leave his wife a substantial income in the form of payments out of the principal for 10 or 15 years and after that, nothing.

Terming a policy providing \$100 a month for the wife "the respectability policy," Mr. Schumacher suggested the interview be built around the theme that

the wife should be provided at least this much for life in case of the husband's death.

Later the assured may be able to provide a guaranteed income for his daughter. This also is an important talking point in selling monthly income coverage.

The speaker compared monthly income policies to the well-aimed stream of bullets from a machine gun, as contrasted to the "blunderbuss" way of paying the policy in a lump sum. Monthly income policies are much more

apt to stay on the books than lump sum coverage, he said.

Discussion of the Chicago association's membership drive and "All-Chicago Day" featured the session. President Patterson of the national body discussed the association's work in improving agency practices and in fighting the employment of part time agents. C. B. Stumes of Stumes & Loeb, general agents Penn Mutual, Chicago, introduced the speaker and Frederick Bruchholz, New York Life, presided.

Continental Assurance finished the first ten months with a \$9,000,000 increase, paid for basis, insurance in force becoming \$203,018,684. Lapses are 9 cents are 9 percent higher. Loans and percent less than a year ago, reinstatements for cash are 11 percent less than in 1935. Repayments on loans are 32 percent more.

SALES RECORDS

New England Mutual—For the first 10 months the insurance in force has increased by over \$47,000,000, or 4½ percent, making the outstanding insurance on Nov. 1 \$1,376,510,000. With one exception this is the largest 10 month's increase in its history.

Connecticut Mutual—Continuing its march to a billion dollars of insurance in force, the company registered a \$2,602,361 gain of insurance in force in October, bringing the total to \$934,108,478. This gain was achieved in spite of the fact that the October paid-for business of \$7,113,643 was 6.6 percent less than October of last year. It has achieved a \$19,951,742 increase in insurance in force since the first part of the year, and an increase of \$41,477,540 since the first of 1935. If the rate of increase, which is being experienced this year, is continued, the company should end 1936 with approximately \$940,000,000 in force. This would contrast with \$892,630,938 at the end of 1934 and \$914,156,736 closing 1935. Although new paid insurance for this year is 7 percent less than last year, there has been an improvement of 17.7 percent in terminations for the year.

State Mutual Life—Closed its October paid business with an increase of 16.49 percent over October, 1935, establishing a record of 14 consecutive months in which a gain has been made over the corresponding month of the preceding year. Shows a gain of 11.5 percent for the first 10 months.

Business Men's Assurance—Reports 16th consecutive month of paid-for increase in October.

Fidelity Mutual—New life insurance for October amounted to nearly \$4,000,000, a gain of 20 percent over the corresponding period of 1935. The net terminations of insurance for the same month showed a decrease of \$480,600, or 19 percent. New paid insurance the first 10 months showed the largest gain for any corresponding period since 1931.

Yeomen Mutual—A 34 percent gain in new business for October is reported. Prospects for similar gains for the last two months of the year are very bright. A special Christmas bonus campaign, Nov. 1-Dec. 15, has been announced.

Ohio National—In honor of President T. W. Appleby agents produced a total volume of \$4,167,227 of new business during October. Exclusive of a home office group insurance case included in the October 1935 figures, the same month this year exceeded the previous year in volume of business submitted, 2,076 applications were received. The Ohio National reached an all time

high figure for the first nine months when the assets reached a total of \$40,500,000 million dollars, an increase of \$1,500,000 over the previous year, and insurance in force increased by \$2,000,000 to \$177,000,000.

Franklin Life—According to Rollin Young, agency vice-president, the writing of more than \$1,100,000 of new business in a 14 hour drive Nov. 6 may reasonably be regarded as directly reflecting the feeling of reassurance experienced by a great many following the tension which preceded the presidential election. Mr. Young points out that whatever the conditions may have been that were responsible for the upward trend of general business in recent months, the same conditions may be expected to prevail for a longer or shorter time into the future with consequent continued business improvement. The general agencies in 19 states participated in the drive based on the double insurance to age 60 policy, reporting to the home office by wire. The F. J. Budinger agency in Chicago had the biggest day in its history, bettering its former record by 20 percent and turning in the largest volume reported. The home office agency in Springfield, Ill., was second in volume, with Green Bay, Wis., Springfield, Mo., and St. Louis following in order.

American National—Reports increase of \$45,861,231 insurance in force for the first nine months.

Columbian National—New paid business in October increased more than 25 percent over the same month of last year. The average size of policies issued in "President's Month" was \$3,443. Increase of more than \$500. Insurance in force gained over \$700,000 in October. The gain for the first ten months exceeds \$3,000,000.

Liberty National—October production amounting to \$2,596,000 and exceeding last year's figure by more than 50 percent, was the largest month's production in its history. During the campaign, held annually in honor of President F. P. Samford, special emphasis was placed on the average size policy, prize awards being based only on issued and paid-for business and on the larger cases. Slightly more than half of the October business was submitted on the paid basis, and the average size of policies applied for was 20 percent above the average.

Approximately one-third of the agents qualified for the "President's Club," and 14 agencies exceeded assigned quotas. Combined quotas, set at 12 percent above last year's production, were exceeded by 30 percent.

Edward A. Woods Co., Equitable Life

SALES IDEAS OF THE WEEK

A clever prospecting idea disclosed by A. E. Van Olinda, salesman of the Seattle Bankers Life of Iowa Agency: From his city directory he compiled a list of all names beginning with "Van"; sent the list to the home office to receive sales promotion letters, and then followed up each letter. Among the "Vans" called on, the salesman found one who was a Bankers Life policyholder, who, in turn, introduced the salesman to still another "Van" not on his list. The latter individual bought a \$5,000 policy.

Paul Clark Finds C. L. U. Is Great Hope of Business

The C. L. U. educational movement has made great strides in making a thoroughgoing profession of life insurance selling and holds even greater hope in future, Paul F. Clark, general agent John Hancock, Boston, told the joint Research Bureau-Agency Officers' gathering on Thursday. In his agency it has proved a great help in recruiting, he said. Only a limited number of college men have become agents. The C. L. U. work is offering them an avenue to enter the business and realize the great opportunity in it.

Another important function is in familiarizing the general public about life insurance, many colleges and universities helping in this work through serving as examination centers, and many having life insurance courses. This is a great factor in merchandising life policies, he said; in breaking up the unreasonable prejudice and indifference of many people to life insurance.

While many agents regard the C. L. U. movement with increasing confidence and appreciation, Mr. Clark said, relatively little has been done by many companies to get behind the movement in a really substantial way. However, 70 companies that wrote more than 75 percent of the ordinary last year are supporting C. L. U. among agents in one way or another.

"Favorite Sons" Campaign

A "favorite sons" campaign helped the Connecticut General Life to overcome the tendency of new business to slacken off prior to the national election. The entire drive was in the political vein. Agents worked up from fourth class postmasters all the way to senatorial candidates, according to their premium credits on paid cases. Six home office officials were the favorite sons.

Candidates gave out stirring political pronouncements and numerous bulletins were issued covering the progress of the campaign. The prizes are trips to the home office at Hartford.

S. C. Martin Resigns

S. C. Martin, for the past five years Indiana state manager of the Reliance Life, is resigning and moving to Los Angeles on account of his wife's health. He was manager of the Missouri State Life in Indiana for five years, having served that company at the home office in various capacities including home office supervisor. He also had several years experience in personal production, advancing from \$100,000 to over \$200,000 annually in four years.

of New York, Pittsburgh—Produced \$6,344,019 business in an October sales contest, representing 2,109 individual applications. John M. Pfeil led with 101 applications.

MANAGEMENT SUGGESTIONS

Training of Men Discussed

Olympic Track Coach Emphasizes Thoroughness in Preparation—Encourages Those Lacking Confidence

PHILADELPHIA, Nov. 12.—The handling and training of men was discussed at the November meeting of the supervisors' group of the Philadelphia Association of Life Underwriters by Lawson Robertson, University of Pennsylvania track coach and head coach of the American Olympic team. Mr. Robertson's talk was based upon the basic idea of the development of material into winners.

A man who has ability but lacks confidence, thrives on encouragement and praise, he said. "You must instill in the man the idea that he is better than he really is."

Mr. Robertson's methods coincided with the basic fundamentals of agency management. He pointed out that nine-tenths of efficiency is preparedness. The three minute pep talk before a game is almost useless. Coaches have found that while it may inspire a team for the moment, the game is for an hour and that the inspiration will wear off in the heat of the struggle and that the team will get tired and weary unless they have been properly prepared for the entire hour's fight. The coach must work up a general enthusiasm in a psychological way for days in advance.

There is no such thing as luck, said Mr. Robertson—luck goes with efficiency. The secret of success is to try hard. Athletes that succeed and reach stardom are those that persevere harder and longer.

Still Hearing Case of Pacific Mutual

(CONTINUED FROM PAGE 3)

demnity including those on claim this year was \$185. The average monthly indemnity of those on claim Dec. 31, last, was \$216. The acquisition cost of business last year was \$22 per thousand.

Actuary William Breiby said he had no knowledge of any plan of rehabilitation of life companies such as Commissioner Carpenter proposed. He said he never knew of a company being in a similar status where one single group of policies caused all the trouble and the others were profitable. Actuary Breiby considers the plan fair to all policyholders, holding that dissenting non-cancelable people are on the same plane and will receive the same percentage benefits as assentors.

Adverse selection, he said, is more likely to come from the newer non-cancelables than from the older ones, adding that the gross profit of \$8.80 per \$1,000 in force in 1937 as shown in his projection was made from excess loading, excess interest earnings and mortality savings, less loss from total and permanent disability.

Actuary Breiby stated there are 48,773 active life non-can policies with a total monthly indemnity of \$364,550. He said that \$1,500,000 was paid on non-can claims last year.

A. Dexter Best, son of A. M. Best of A. M. Best Company, New York City, who has two non-can policies, filed a long letter protesting the Carpenter plan.

STATEMENT BY JUDGE WILLIS

The Pacific Mutual Life hearing was featured this week by a statement from Judge Willis regarding a line of testimony from Actuary Breiby in a cross examination. Counsel sought to bring out the alleged facts back of the difference of more than \$3,000,000 in the non-can reserves as shown by the company's own annual report and the convention examination report. The court said in part:

"The legal question arises as to power of court to approve a plan which impairs a contract, which is the most reasonable, just and fairest method. . . . The report shows the company was \$23,000,000 short. This proceeding is to try to take care of that deficit. The commissioner's plan provides that participating and non-participating departments are allocated assets to pay 100 per cent of liabilities; the accident department will start off with a deficit.

"Under the report you don't have to shift assets, they are all in one pot to pay liabilities; you reach in the pot and get what you want. Under the proposed plan that is going to be cut off. There are to be three places of business, three liability pots and three asset pots, which shift from one to another but not from one department to the other. What the court is anxious to find out is whether the plan is workable first, whether it is fair and just under the law and the equities, and likewise if it is fair and just will it work out."

The only testimony of any importance secured from Breiby was that he did not believe the volume of cash surrender of policies since July 22 was in sufficient amount to have any appreciable bearing on the business.

Quality Factors Rated on Charts

(CONTINUED FROM PAGE 4)

said, to advance simultaneously on all three fronts—production, persistency and economy.

"You may increase production but in turn increase expenses to such an extent that you are no better off than before," he said. "You may spend considerable time and money in improving persistency but if production is sacrificed you make little progress. Again, you may cut expenses to such an extent that service to your policyholders is impaired, and both persistency and production suffer."

Using slides, Mr. Kelly showed the effect of some of the quality factors on the average size policy. Prospects who are in the A occupational group buy policies averaging \$6,219 as contrasted with those in the D group, who buy policies averaging only \$1,975. From the annual income standpoint, prospects earning more than \$5,000 a year buy policies averaging \$7,675, as contrasted with an average policy of \$1,904 for the prospect earning less than \$2,000. Where there is a definite need, policies were shown to average \$3,000 more per policy than where no particular need existed. Copies of the quality rating chart were distributed to those attending the meeting.

Buffalo Association Holds Golden Anniversary Fete

(CONTINUED FROM PAGE 6)

Buffalo president, told of his early insurance selling in Iowa. "The only way to sell insurance to an Iowa farmer is to sit down on his plow right out in the field and tell him you won't move until he signs an application," Mr. Amber declared.

Superintendent Pink covered a number of historical aspects. The Armstrong investigation, he said, was brought on primarily by the crusading efforts of the New York World. Mr. Pink's uncle, John R. Heaton, was an editorial writer on the paper. Senator Armstrong sought out Mr. Heaton for advice as to a prosecutor and mentioned Charles E. Hughes. Approved by Mr. Heaton, Mr. Hughes was immediately engaged. Superintendent Pink said the investigation of the Armstrong committee disclosed a huge and rapidly expanding business for the most part ably managed but with some shocking abuses. The revelations, he said, were quite a blow to life insurance, the confidence of the public was to some extent temporarily undermined both here and abroad. The Armstrong investigation, he said, once and for all destroyed the idea that selfish men could tamper and gamble with the life savings of the people. It resulted in remedial and curative legislation.

Grover Cleveland, whose home was in Buffalo, did much to rebuild confidence. He was selected as trustee of the Equitable stock and he was chosen to head the Association of Life Insurance Presidents in 1906. He initiated the phrase, "Public office is a public trust." He ap-

plied it to life insurance administration.

Superintendent Pink said that people have been looking forward to the day when life insurance would be "bought" and not "sold." He thinks the day will soon arrive. He sees higher professional standards in the field. In the public press, he said, there has been some criticism of life insurance. This has caused much concern to those engaged in it. There is always a tendency, he said, in every great financial organization, to take the attitude that whatever is right, to resist change and to resent criticism. Legitimate criticism, he said, is good for life insurance. The companies must be responsive to demands for wider coverages, encourage sound economies which will result in the reduction of the cost of life insurance. Company officials must be receptive to the opportunity for greater and more efficient service to mankind.

The program concluded with the singing of Auld Lang Syne by the 20 past presidents in attendance.

Each guest received a souvenir menu giving the history of the Buffalo association, present officers, a list of past presidents and the current roster. Arrangements for the dinner were made by the past presidents' group.

A memorial to deceased past presidents was conducted by William H. Joyce, oldest living member.

To William A. McCormack, now 82 years of age and still a very active agent of the State Mutual in Buffalo, went the distinction of being the oldest underwriter present.

Agency Management Review from President's Viewpoint

(CONTINUED FROM PAGE 2)

what results they are getting. To the great mass of policyholders and prospects, the agent is the company. They expect him to tell them what they want to know about the company. How is he to be able to do so if he is barred from knowing about the duties, the methods and the results in these departments?

"Other departments should be interested in the plans, problems and needs of the agency unit. They should cooperate with it. They are members of the same team that we call the company. They have the same obligation to contribute to the success of the team.

"The heads and assistants in the bond, mortgage, law, actuarial, secretary's, medical and other departments of our company appear at meetings of general agents and of agents and tell them in detail of the plans, policies, methods and results in their several departments. We know that it contributes to the morale and the intelligence of the agency force.

"None of our officers regard this program as objectionable or burdensome. Quite the contrary. They enjoy the contact and the opportunity to know more of the people in the organization and to have those people know more about them and their departments. They have troubles, too, and a place to air them helps dissipate them.

Attitude of President Toward Agency Unit

"The president ought to know enough about its work, its problems and its plans to cooperate intelligently. It may be best that he should not know so much or so little about these things that he thinks he ought to run the department. In the determination of the agency objective and policy of the company, the president and other proper persons or committees should logically participate and assume responsibility. When the policy and objective of the company are decided, it becomes the agency department's job to decide upon plans and methods of making them effective.

"In that task the agency officer should always feel free to seek the advice and counsel of the president and any other officer who can be helpful.

"It is the president's job to bring the

company to the agency force and interpret it to the agents with some frequency. The agent must be largely relied upon to carry the company to the policyholder, prospect and public. It is to do that effectively, honestly and intelligently he must have information from an authoritative source. There may be others in the official family who have greater knowledge and greater capacity to interpret, but the position gives the president prestige. The company and the agent are entitled to the benefit that flows from the active uses of that prestige.

"When the policy of the company is settled regarding matters handled in most departments of a company, the occasion for material change is infrequent. That is not so true in the agency field. That field is subject to constant influence and pressure that we do not have in other branches. Changing economic conditions, changing views and demands of the public, new types of competition and other forces are always beating upon the agency department. These demands should be considered. The department should have free access to the president and others whose judgment is wanted.

"Volume should not be the slogan at the masthead. A certain amount of new business is essential to a healthy company condition. Beyond that amount the present policyholder has no interest in volume, and in a participating company he may have very valid objection to it. Whatever the volume, quality should be the first and constant objective. If that is the company policy, the agency department should know it and should be rated for performance on that rather than some other basis."

Low Yields, U. S. Financing Point to Dividend Shift

(CONTINUED FROM PAGE 3)

ality for dividend reckoning takes account of the duration of policies and the age of the insured at issue. Two companies paying exactly the same dividend scale might have widely differing gain and loss mortality figures because of one company having an older group of policyholders or policies of longer duration.

Central States Production in Equitable on Increase

Production of the Equitable of New York central department in October totaled \$14,625,737, the ten Chicago agencies paying for \$4,221,986. The R. M. Ryan agency, Detroit, led with \$1,189,777; A. M. Embury, Kansas City, second with \$1,168,887; A. B. Shea agency, Minneapolis, third, \$1,157,835; Homer Rogers agency, Indianapolis, fourth, \$1,072,101, and M. C. Nelson agency, Des Moines, fifth, \$810,700. Paid production of Chicago agencies was: Woody \$997,240; Lustgarten \$846,465; Gottschall \$608,032; Hobbs \$415,194; Kerber \$325,365; Israel \$311,191; H. A. Sloan \$283,521. The department had a 12 percent increase in October.

The central department Nov. 4 started its annual Klingman campaign to run to Nov. 28 in honor of W. W. Klingman, agency vice-president. It will wind up with a dinner of assistant agency managers in Chicago, Mr. Klingman attending and the central managers association, with President Forrest Croxson, agency manager of Omaha, presiding as the host.

Operates Cash Night Indemnity

AUGUSTA, GA., Nov. 12.—Despite the efforts of the Deputy Commissioner Wright of Georgia to stop the activities of the Southeastern Cash Night Indemnity Company of Augusta, its organizer, B. Emory Wilcox, local district manager of the Northwestern Mutual Life, still continues to operate. Last week it paid a "loss" for \$405 on one of the "lucky" persons whose name was called at a local theater drawing.

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